Daily Report

Central Eurasia

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FBIS-SOV-96-100 *22 May 1996*

CONTENTS

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PRESIDENTIAL ELECTION ISSUES

Russia: Yeltsin's Krasnoyarsk, Omsk Remarks Summarized *[ROSSIYSKIYE VESTI 21 May]* 1
Russia: Yeltsin's Answers to Personal Questions Cited *[IZVESTIYA 22 May]* 2
Russia: Governor Nemtsov Urges Yeltsin To Ally With Lebed *[SEGODNYA 22 May]* 3
Russia: Yavlinskiy Said To Lose Votes by Talking With Yeltsin *[MOSKOVSKAYA PRAVDA 22 May]* 4
Russia: Zyuganov Seen as More Democratic Than Present Regime *[London THE GUARDIAN 21 May]* 5
Russia: Zyuganov Program To Give National Security Sectors Priority *[IZVESTIYA 22 May]* 6
Russia: Zyuganov's Program Fixes Right to Private Ownership *[INTERFAX]* 6
Russia: Differences Between CPRF Program, Zyuganov Platform Explained *[PRAVDA 18 May]* 7
Russia: CPRF Plenum on Election Campaign Discussed *[PRAVDA 21 May]* 8
Russia: Lebed Says 'Third-Force' Coalition in Elections 'Non-Existent' *[ITAR-TASS]* 9
Russia: Poll Data Putting Yeltsin in Lead Disputed *[SELSKAYA ZHIZN 18 May]* 10
Russia: Economic Advisor Advises Against Hoarding Goods *[INTERFAX]* 11

INTERREGIONAL AFFAIRS

Baltics: Baltic Assembly To Draft Common 'Arguments' for NATO *[BNS]* 12
Baltics: Baltic Assembly Envisages Sea Border Agreement in One Month *[Riga Radio]* 12
CIS: ITAR-TASS Carries Press Review for 22 May 12

RUSSIA INTERNATIONAL AFFAIRS

Russia: Primakov Affirms Russia's 'Special Interest' in Mexico *[Moscow RTV]* 14
Russia: Primakov Hands Mexican President Message From Yeltsin *[ITAR-TASS]* 14
Russia: Foreign Minister Primakov Arrives in Cuba *[ITAR-TASS]* 14
Russia: Primakov — U.S. Not To Affect Ties With Cuba *[ITAR-TASS]* 15
Russia: Primakov To Hold Talks With Cuban Counterpart in Havana *[ITAR-TASS]* 15
Russia: Moscow Checks Information on China's Interest in Missiles *[ITAR-TASS]* 15
Russia: Moscow Has 'No Data' on China's A-Blast Intentions *[ITAR-TASS]* 15
Russia: Ministry Official: Bonn Disarmament Conference 'Useful' *[ITAR-TASS]* 16
Russia: Foreign Ministry: Dayton Accords Must Be Implemented *[INTERFAX]* 16
Russia: Deputy Minister Urges Solution to NATO Expansion Issue *[ITAR-TASS]* 17
Russia: Moscow Wants CFE Treaty Adapted to New Political Reality *[INTERFAX]* 17
Russia: North Atlantic Assembly Seen Unproductive for Moscow *[NEZAVISIMAYA GAZETA 21 May]* 18
Russia: Russia Officially Applies for OECD Membership *[ITAR-TASS]* 19
Russia: EU Maintaining 'One-Sided' Restrictions *[FINANSOVYYE IZVESTIYA 16 May]* 19
Russia: Chechen Envoy Seeks Western Mediation *[Copenhagen POLITIKEN 17 May]* 20

RUSSIA NATIONAL AFFAIRS

Political Issues

Russia: Yeltsin, Security Council Discuss Strategic Stability *[INTERFAX]* 23
Russia: Yeltsin Urges North To Strengthen Ties With Other Regions *[INTERFAX]* 23
Russia: Yeltsin Relations With Lukashenka Said Deteriorating *[IZVESTIYA 21 May]* 23

Russia: Zaveryukha Says Federation Council To Block Duma Land Law *[INTERFAX]* 23
Russia: Arrest of Sports Foundation Head Could Be 'True Scandal' *[Moscow NTV]* 24
Russia: Government Takes Measures To Increase State Revenues *[INTERFAX]* 24
Russia: Government Ready To Compromise With Tax Defaulters *[SEGODNYA 21 May]* 25

Military & Nuclear Issues

Russia: Grachev Misses Norway Meeting, Visits Siberia Instead *[SEGODNYA 21 May]* 25
Russia: Edicts on Professional Army 'Revolutionary' *[ROSSIYSKIYE VESTI 21 May]* 26
Russia: Defense Enterprises League Chief Interviewed *[PRAVDA 18 May]* 27
Russia: General Staff Officer Cited on Ending Conscription, Timing *[KOMSOMOLSKAYA PRAVDA 18 May]* 28
Russia: Chemical Weapons Reserves Exceed 40,000 Tonnes *[INTERFAX]* 28
Russia: Grachev Says Russia To Focus on Nuclear Deterrence *[ITAR-TASS]* 28

Federal Assembly

Russia: Duma Passes Law on Procedure for New President *[INTERFAX]* 29
Russia: State Duma Approves Land Code *[INTERFAX]* 29
Russia: Renationalization Seen as Key Element of Communist Program *[KOMMERSANT-DAILY 21 May]* 29
Russia: Legislative, Regulatory Documents 12-18 May *[FBIS Report]* 30

Regional Affairs

Russia: Yeltsin Likely To Visit Chechnya Only After Bamut Seizure *[ITAR-TASS]* 35
Russia: Chechen Leaders Warn Yeltsin Against Contact With Rebels *[INTERFAX]* 35
Russia: Grachev: 'No Need' for Yeltsin's Chechnya Trip at Present *[Moscow ORT]* 35
Russia: Grachev Says Troops To Start Chechnya Withdrawal 1 Jun *[ITAR-TASS]* 36
Russia: Grachev Says Chechen War Unlikely To End in Jun *[Moscow RTV]* 36
Russia: Moscow To Allocate R900 Billion To Restore Chechen Economy *[ITAR-TASS]* 36
Russia: Seized Documents Reveal Chechen Rebels' 'Criminal' Plans *[KRASNAYA ZVEZDA 22 May]* 37
Russia: Chechen Assault on Bamut Reported *[Moscow RTV]* 37
Russia: Yeltsin Meeting With City Mayors 'Meaningful' *[ROSSIYSKAYA GAZETA 22 May]* 37
Russia: Grachev Backs Yeltsin in Speech at Yekaterinburg Garrison *[INTERFAX]* 38
Russia: Defense Industry Minister at Moscow Missile Plant *[Moscow RTV]* 39
Russia: Fourth Candidate Registered for Moscow Mayor *[ITAR-TASS]* 39
Russia: Second Round of St. Petersburg Election Set for 2 June *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 39
Russia: Yakovlev Parades Election Coalition in St. Petersburg *[St. Petersburg TV]* 40

Economic Issues

Russia: Chernomyrdin Addresses Industrialists, Entrepreneurs *[ROSSIYSKAYA GAZETA 18 May]* 40
Russia: Chernomyrdin Holds Conference on Financial, Economic Issues *[ITAR-TASS]* 40
Russia: Soskovets Examines Government's Basic Economic Trends *[ITAR-TASS]* 41
Russia: Soskovets Reports on Poverty Level to Reforms Conference *[INTERFAX]* 41
Russia: Soskovets Reports Low Collection of Taxes to Federal Budget *[ITAR-TASS]* 41
Russia: Yeltsin Aide Livshits Warns Buyers of Dollars *[INTERFAX]* 42
Russia: Yekaterinburg Forum Calls For Economic Revival Measures *[KOMSOMOLSKAYA PRAVDA 21 May]* 42

UKRAINE

International Affairs

Ukraine: Moroz Says NATO's Eastward Expansion 'Erroneous' *[UNIAN]* 43

Ukraine: Buteyko Says Kiev 'Does Not Object' to NATO Expansion *[Kiev International]* 43
Ukraine: EU Says Ukraine's Sovereignty Key for European Security *[INTERFAX]* 43
Ukraine: De Rycke Urges Ukraine To Mediate Between NATO, Russia *[INTERFAX]* 43
Ukraine: Foreign Minister Arrives in Rome for EU Meeting *[UNIAN]* 44
Ukraine: Udovenko Views Relations With Russia as 'Priority' *[ITAR-TASS]* 44
Ukraine: Udovenko Supports Yeltsin in Presidential Elections *[ITAR-TASS]* 45
Ukraine: Kuchma Confident of Yeltsin Victory in Elections *[ITAR-TASS]* 45
Ukraine: Kuchma Says BSF Main Issue for Talks With Chernomyrdin *[UNIAN]* 45
Ukraine: Delegation to Bonn Conference Confirms Antinuclear Stance *[UNIAR]* 45
Ukraine: Crimea: OSCE Mission Not Needed; Turkish Help Welcomed *[ITAR-TASS]* 45

National Affairs

Ukraine: President Urges September Referendum on Constitution *[UNIAN]* 46
Ukraine: President, Faction Leaders Agree on Constitution Referendum *[UNIAN]* 46
Ukraine: Prime Minister: Inflation Not Yet Defeated *[UNIAN]* 46
Ukraine: National Bank Chairman Reacts 'Negatively' to Criticism *[INTELNEWS]* 47
Ukraine: Crimean Premier Says Turkey To Aid Deportees' Repatriation *[UNIAN]* 47
Ukraine: News Conference Held on Problems of Crimean Tatars *[UKRAYINA MOLODA 17 May]* 47

Economic Issues

Ukraine: Marchuk on Assets, Debt, Responsibility *[URYADOVYY KURYER 16 May]* 48
Ukraine: Prime Minister Marchuk: Taxation Policy Should Be Revised *[INTERFAX]* 50

WESTERN REGION

Belarus

Belarus: Lukashenka Briefs Media on Meeting With Primakov *[Minsk Radio]* 51
Belarus: Minsk Deputies: Authorities 'Answerable' for Actions *[BELAPAN]* 51
Belarus: BPF Deputy Chairman Released From Prison *[BELAPAN]* 51
Belarus: Article Views Parliament's 'Zero Policy' *[SVABODA 14 May]* 51

Moldova

Moldova: Snegur Rules Out Concessions on Dniester Region *[INTERFAX]* 53
Moldova: Russian Envoy to Dniester Calls For 'Broad Self-Governance' *[INFOTAG]* 54
Moldova: Popular Front Refutes Allegations of Aiding Chechnya *[INFOTAG]* 54

CENTRAL ASIA

Tajikistan

Tajikistan: UN Security Council Discusses Situation in Tajikistan *[ITAR-TASS]* 55
Tajikistan: Russian Commander Says Afghan Border Situation 'Difficult' *[ITAR-TASS]* 55
Tajikistan: Government Takes Credit for Cease-Fire Extension *[INTERFAX]* 56
Tajikistan: 'Clan Contradictions' Seen as Primary Concern *[KRASNAYA ZVEZDA 21 May]* 56

BALTIC STATES

Estonia

Estonia: President: Not Interested in Joining CIS *[Tallinn Radio]* 57
Estonia: Kallas Says Expulsions Will Not Affect Russia-Estonia Ties *[INTERFAX]* 57

Estonia: Minister, Russian Envoy Agree To Stop Airing Disputes *[BNS]* 57
Estonia: Tallinn, Moscow To Halt Verbal Battle in Media *[Tallinn TV]* 57
Estonia: Premier Says Tartu Treaty Basis for Talks With Russia *[Tallinn Radio]* 58
Estonia: Parliament Approves Treaty With EBRD at First Reading *[INTERFAX]* 58

Latvia

Latvia: President: Riga's Interests Do Not Involve CIS Membership *[INTERFAX]* 58
Latvia: Ukrainian Speaker Moroz Arrives on Official Visit *[UNIAN]* 58
Latvia: Armed Forces Chief Returns From Bosnia *[BNS]* 59
Latvia: OSCE Panel Discusses Problems of Russians in Latvia *[ITAR-TASS]* 59

Lithuania

Lithuania: Foreign Minister Rules Out Joining CIS *[BNS]* 59
Lithuania: Spokesman on 'False, Slanderous' Moscow Drug Allegations *[BNS]* 60
Lithuania: Mismanagement Threatens Ignalina Nuclear Plant Security *[Vilnius Radio]* 60
Lithuania: Uranium-238 Dealers Arrested in Klaipeda *[ITAR-TASS]* 60

Russia: Yeltsin's Krasnoyarsk, Omsk Remarks Summarized

MM2105151496 Moscow ROSSIYSKIYE VESTI in Russian 21 May 96 pp 1,2

[Unattributed report: "What Boris Yeltsin Said to the Siberians..."]

[FBIS Translated Text] Russian President Boris Yeltsin spent last weekend in Siberia. He visited Krasnoyarsk Kray and Omsk and took part in a session of the Siberian Accord association and in the ceremonial signing of the Treaty on the Demarcation of Areas of Jurisdiction and Powers between the Russian Federation state organs and Omsk Oblast. In all the places visited by the head of state he was met by huge crowds and the president talked about the situation in the country and answered his interlocutors' questions.

...On the Presidential Elections

Speaking about the forthcoming elections during a meeting with the public in Krasnoyarsk Kray, Boris Yeltsin expressed the hope that "we will attain greatness on the path of economic achievements and this will depend on how Russia's citizens vote in the forthcoming elections." Each Russian citizen will have to decide which way the country is going and each vote could prove decisive, the president noted. Boris Yeltsin stressed that he loves his motherland and his people. "I believe that in four years' time I will transfer presidential power to reliable hands and the choice of the next president will be made, like this year, by Russia's citizens," he said.

...On the Possibility of Civil War

"If I am elected president I guarantee that there will be no civil war in Russia," Boris Yeltsin stated during a visit to the A.S. Pushkin academic library in Omsk Oblast. "As president, guarantor of the Constitution, someone who knows the situation and is in control of it, I guarantee that I will be able to keep all political forces in check," the head of state declared. "As for Gennadiy Zyuganov," the president added, "his historical experience is such that it will be difficult for him to keep the country back from war."

...On the Reforms and Reformers

"Russia's most difficult trials are already behind it and we now have an opportunity to carry out the transformations with a high degree of social protection," the Russian Federation president said at a meeting with the public in Krasnoyarsk. "The market does not preclude powerful state support," he stressed. "On the other hand, it does rule out leveling and our aim is to create a powerful state system of social protection and ensure the prosperity of the middle class." Boris Yeltsin said that "four years from now we will not recognize Russia just as we would not recognize it today if we viewed it from the vantage point of fall 1991."

The country has only one option today — slow but steady progress — and we do not dare turn back from the chosen path, Boris Yeltsin stated. He said that there is no going back to the past for Russia. The old system was a dead end and lost the historic competition with the free society and the market economy but this does not mean that we reject all past ideals. It is necessary to take all the best experience and preserve it in a different and viable society.

...On Grigoriy Yavlinskiy

During the recent meeting with the Yabloko association leader, Boris Yeltsin said, Grigoriy Yavlinskiy was offered the post of first deputy chairman of the Russian Government with responsibility for the reform. "This is his reform, his brainchild, his work," the head of state said. "But Yavlinskiy's pride will not allow him to accept this offer yet."

The president characterized Yavlinskiy as a "proud man" who "wants to take part in the presidential elections, and that is all." Boris Yeltsin expressed the hope that it will be possible to "reach agreement" with Yavlinskiy. "He is an intelligent man and I respect him, we have a good relationship and contacts," the president said.

Boris Yeltsin noted that the Yabloko leader had given him a detailed list of terms on which he "could withdraw from the elections and urge my voters to vote for Boris Yeltsin."

...On the Visit to Chechnya

At meetings with Siberians Boris Yeltsin confirmed his intention to visit Chechnya even though such a trip is dangerous as he is aware.

In Omsk, where the president laid a bouquet of crimson roses at the foot of the Anton Chekhov monument, a woman told the president: "There is no need to go to Chechnya right now, let us elect you president, then you can go. But if you go there now heaven forbid anything should happen, then there would be no one to protect us from the Communists." In reply, Boris Yeltsin stressed: "There is no one who can resolve the Chechen problem now apart from me. That is why it is necessary to go. Of course this is dangerous but life is risky."

The head of state continued this theme in conversation with former general prosecutor Aleksey Kazannikov. "I want to go there," Boris Yeltsin said, "but recently I

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have had a flood of letters and telegrams from all over the country urging me not to go. After all, bandits are bandits... I personally have no doubts but if I go I will be bound to offend people." "But if I do go I am confident that I will bring all three sides to the negotiating table and they will sign a peace treaty based on the results," the president stressed.

"We must end the war, especially given that there is no major fighting going on now," he also noted when talking with Omsk citizens who greeted him at the city airport. "All that is happening now is that the small gangs are being wiped out." According to Boris Yeltsin, his trip to Chechnya would give great confidence to the peace movement.

...On the Army and the Defense Sector

In conversation with the residents of Krasnoyarsk, Boris Yeltsin recalled that he has recently issued an edict which envisages the shift to a completely professional army beginning in the year 2000. "But this must be done gradually," Boris Yeltsin noted, "each year there must be an ever greater number of contract personnel in every district so that when the Armed Forces draft is abolished we will not be left with only half an army. I believe that the abolition of the draft will be particularly welcomed by the mothers of boys aged 14 at the moment."

The next day in Omsk Boris Yeltsin touched on the situation in the defense complex — and this problem is very important for the oblast which has a high concentration of defense plants — and joked that "the defense complex is not the kind of complex that you ought to rid yourself of." On the contrary, a presidential edict has recently been signed on the development of the defense complex which envisages a series of concrete measures aimed at developing the defense sector. As for Omsk Oblast, conversion is proceeding quite well there, in the head of state's opinion.

...On Veterans

After laying flowers at the monument to Marshal Zhukov in Omsk, Boris Yeltsin spent a long time talking to city people. They included veterans of the Afghan war who raised some urgent matters, in particular the problem of the provision of special equipment for disabled veterans of the Afghan campaign. After consulting with oblast governor Leonid Polezhayev, the president instructed that 56 new vehicles converted for use by the disabled be allocated from local reserves.

The conversation also turned to the fulfillment of the Law on Veterans. Boris Yeltsin stressed that Omsk is the only oblast in Russia where the Law on Veterans is being fulfilled completely.

...On the Meeting with Viktor Astafyev

Boris Yeltsin's conversation with the well-known Russian writer Viktor Astafyev in the library built on his initiative in Ovsyanka settlement lasted almost an hour. In conversation with journalists at the end of the meeting, the Russian Federation president announced that "Viktor Astafyev and I talked about our common Russian everyday problems, about how people are living, about how they are attached to the land, about how the land must not and cannot be taken away from them, and that is why the Communists must not be allowed to come to power in Russia."

The head of state stressed that a large part of their talks was given over to ecological questions and the conservation of Siberia's unique natural environment.

Russia: Yeltsin's Answers to Personal Questions Cited

MM2205093096 Moscow IZVESTIYA in Russian 22 May 96 p 2

[Unattributed report: "Fifty-seven Questions From Voters to the President of Russia"]

[FBIS Translated Text] A brochure with this title was published recently in a print run of many thousands. In it Boris Yeltsin conducts a dialogue with Russian citizens who are interested not only in the president's policies but also in his character, health, human weaknesses, family relationships, material status — everything that can give them an idea of the personality of the present head of state as he seeks reelection.

Today IZVESTIYA publishes the replies to the most pointed of the 57 questions to Russia's president.

What is my income?

I will cite information from my declaration of income for 1994-1995, which I submitted to the tax service.

I received a total wage of 15,291,580 rubles [R].

Allowing for the amounts that are not taxable according to law, I paid taxes on my wages in the sum of R2,190,567.

For the book "President's Memoirs" I received royalties of $280,000 (or R537.04 million)....

In all, I paid taxes of R159,797,851....

Is it true that I abuse alcohol?

If I were to say "yes," it would be untrue.

If I were to say simply "no," it would also seem unconvincing because everyone in our country will harbor

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doubts until they have checked up for themselves, and they will also say: "What kind of a Russian are you if you cannot take a drink?"

So I will say one thing: I can take a drink, but I do not abuse it.

Is it true that I am in poor health?

As they say in Odessa, don't bank on it!

Is it true that I am not independent, that I adopt decisions under the influence of my mood alone and depending on who has "whispered what in my ear" today?

I repeat yet again: I always adopt decisions myself, and my aides only fashion them into a finished text. Whether or not they are correct, they have always been the result of very earnest selection.

I cannot abide "whisperers."

Why do I not carry out promises (have I not laid myself on the line)?

In April 1993, at a most difficult time for our economy and for social stability, I laid my head on the "line" of a nationwide referendum on confidence in myself and in the policy of reforms. Was the "Bolshevik armored car" going to crush our resolve to build a new Russia, or not?

It was not.

"Isn't it time, granddad, for you to climb up on the stove and rest?"

I cannot abandon half-way what I have started, particularly as the situation is very unstable. If we cross the crisis line together, it means that we will win.

As for "granddad," this is what I will say. Yes, I am a granddad. Even four times over. Because I have four grandchildren.

What can be done to prevent prices from rising?

To prevent prices from rising and bread from getting more expensive, it is necessary to allocate trillions of rubles in subsidies every month.... This means that the necessary funds have to be taken away from someone in order to keep bread prices at the same level....

If production operates steadily and efficiently, working people's wages will grow constantly, greatly outstripping the growth in prices. This means that prices will stop frightening people.

Could the burdens that the reforms have brought upon people have been avoided?

Yes, if the reforms had been started some 10-15 years sooner.

Legal anarchy reigns in Russia today. No one carries out the laws, and citizens have no one from whom to seek protection. What can be done here?

I regard two tasks as paramount.

First, putting an end to street crime.

Second, stopping corruption and economic crime.

Will peace come about in Chechnya?

Certainly. The restoration of constitutional order in the Chechen Republic is entering the concluding stage.... I hope that this problem will be resolved, inter alia, by the joint efforts of all the Commonwealth states and, above all, by those in the Caucasus region.

When will we lead a better life?

There is no precise calendar-based reply to the question "When will we lead a better life?": not in "500 days," not "from Monday," not even "when we have overthrown the regime of democrats and Yeltsin...."

As a construction worker I can say: We long ago completed the "zero cycle," erected the walls, gave them a roof.... And yet we are living on a construction site with construction in full swing.

But the edifice of our new life has already been built. We can now go on... to the finishing touches. And, most importantly, to think about how to live in this home.

Russia: Governor Nemtsov Urges Yeltsin To Ally With Lebed

MK2205103096 Moscow SEGODNYA in Russian 22 May 96 p 2

[Report by Elmar Murtazayev: "Nizhniy Novgorod Governor Proposes Yeltsin-Lebed Coalition"]

[FBIS Translated Text] "In order to win the elections, Boris Yeltsin has to form a coalition with Aleksandr Lebed," Oblast Governor Boris Nemtsov stated in Nizhniy Novgorod yesterday as he addressed the seminar "Economic Development and Stabilization Problems." Enlarging on the proposal "to form a coalition with various political forces" that came to Boris Yeltsin from participants in the recent economic forum in Yekaterinburg, the head of the administration stated that forming a union is possible today with representatives of a broad political spectrum "excluding those who suffer from economic idiocy — the Communists, for example."

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Mr. Nemtsov thinks that forming a union is necessary at least in order to demonstrate the authorities' ability to engage in a political dialogue. In Boris Nemtsov's view, after a union has been formed with Lebed, who the governor believes is capable of imposing order both in the army and in hot spots, the union of the two candidates could be joined by Grigoriy Yavlinskiy. "I know all these people, and I can guess how they would behave," he noted.

The Nizhniy Novgorod governor is confident that it is extremely important for Boris Yeltsin to place first in the first round, not just advance to the next stage of the election race. The governor adduced this argument to back his view: if the current president placed second after all, they would come to "no longer look at him as the head of state, but as an ordinary candidate." Looking at him in this way would be both ordinary voters and representatives of regional and federal authorities. Boris Nemtsov subjected the Communists to scathing criticism. "In the event of their victory, there would be economic collapse in store for Russia," the governor foretold, explaining that "we speak today of selecting an economic pattern of development for many decades to come."

Russia: Yavlinskiy Said To Lose Votes by Talking With Yeltsin

MK2205104596 Moscow MOSKOVSKAYA PRAVDA (MOYA GAZETA Supplement No. 18) in Russian 22 May 96 p 9

[Article by Andranik Migranyan, chief editor of MOYA GAZETA: "The Unification of Yavlinskiy and Yeltsin Has Already Taken Place"]

[FBIS Translated Text] Over a very short period of time Grigoriy Yavlinskiy has twice lost the political innocence he has preserved for so long. This first happened when he went to the Kremlin to bargain — and second, when he, having set too high a price for himself at this bargaining session, never received satisfaction. Having committed this fall [grekhopadeniye], Grigoriy Alekseyevich has lost the moral superiority over both the authorities and the opposition, whom he has so long lambasted for selling out their principles. Considering the nature of Yavlinskiy's electorate, I am certain that regardless of the outcome of his talks with the president he has already lost a considerable portion of his voters. I think that this has disillusioned those idealistically minded voters who, having put their trust in his moral maximalism, will never forgive him talks with Yeltsin, whom Grigoriy Alekseyevich has accused of all mortal sins over the past few years. Certainly, this part of the voters, their expectations having been betrayed, will either boycott the elections completely or replenish the ranks of those who will vote against all candidates.

In all likelihood, Grigoriy Yavlinskiy has already ceded to Boris Yeltsin a major part of his pragmatically oriented electorate as well. The reason is that for this portion of the democratic electorate Grigoriy Alekseyevich was attractive precisely because he has long and fairly skillfully fostered his image as the alternative to Yeltsin, not to all sorts of "Chernomyrdins and Co." But the very fact that bargaining with Yeltsin on the possible withdrawal of his candidacy in exchange for a job under the president's immediate guidance took place at all could shatter the image of the democratic alternative to Yeltsin in the eyes of this portion of the electorate. Upon agreeing to hold these talks, Yavlinskiy essentially accepted what he sees as the unpleasant reality of a two-man presidential race, and perceiving Yeltsin in his standoff with Zyuganov as the lesser evil, he is seeking a place under the shadow of this lesser evil. By so doing, he is robbing the democratic electoral field of an alternative to Yeltsin and pushing his voters into the incumbent president's embrace, absolving them of any moral obligations concerning himself. Even if Yavlinskiy fails to register his marriage with the president, he seems to have already lost plenty of his followers, who will not forgive him this moral treachery. He himself has so long made a point of drawing no distinction between morality and politics that he has thus ruled out for himself the possibility of political maneuverings and compromises.

Compromises are unacceptable in the realm of morality, whereas in the area of pluralistic democratic politics a search for the lesser evil is the main motive behind voting patterns in elections. Taking account of the vulnerability of Yavlinskiy's stance, it was enough for the president to offer him the post of deputy prime minister to remove him from the presidential race. In the event of his refusal, he risks burying himself as a politician altogether, because, having agreed to bargain, he has destroyed in the eyes of his followers the image of a politician who acts on the basis of absolute moral values and who does not sell out his principles. After that he will for the first time as a public politician clash in a fierce struggle with Yeltsin, a part of whose electorate he "privatized" in the Duma elections, capitalizing on its owner's absence.

Given all that, a fiasco in the presidential elections in the event that he does not withdraw his candidacy might mean Yavlinskiy's demise as an independent politician. Yet, even an alliance with Yeltsin in any capacity might under the current circumstances end up with similar results for Yavlinskiy.

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Russia: Zyuganov Seen as More Democratic Than Present Regime

MS2105122996 London THE GUARDIAN in English 21 May 96 p 19

[Report on interview with Gennadiy Zyuganov, Leader of Communist Party of Russian Federation, by Ken Livingston; in Zyuganov's Moscow office; date not given]

[FBIS Transcribed Text] It is normally unheard of for a humble backbencher to be granted an hour-long interview with the party leader. He is in excellent form, passionate and convincing as he talks about his concerns: "the unprecedented attack on the values and moral ideals of our life", the need to "render every possible assistance to the family... to crack down on organised crime and corruption". He is one of the few leftwing politicians who can say without embarrassment: "I love my country," and proclaim that "the ideals of kindness and justice are the essence and purpose of my life". Were I to close my eyes, I could almost believe myself to be in the office of Tony Blair — instead of listening to Gennadiy Zyuganov, the Communist Party candidate for president of Russia.

Even when Zyuganov talks of the use of "direct state control, where necessary", and how he favours a "varied social and economic structure", he could be quoting from one of New Labour's recent policy documents.

When he explains that his intention is "to turn all citizens into co-owners of the national property", I feel like telling our interpreter that "stakeholder" might have been more accurate.

Whilst Zyuganov seems the very essence of a modern politician, the election campaign itself has more in common with North Korea. News broadcasts lead with several minutes of Boris Yeltsin in a series of photo opportunities, with occasional references to some of the other candidates (all of whom will be urging their supporters to switch to Yeltsin on the second round of voting), but it would be hard to know that Zyuganov exists, let alone that he has a 20 per cent lead in the opinion polls. The boss of the former KGB and the head of the NTV television channel are members of Yeltsin's campaign committee: it is as if Stella Rimington and John Birt were on John Major's re-election team. But there is panic in the Yeltsin camp as he continues to lag behind Zyuganov.

There is open discussion about how extensive will be the electoral fraud conducted by Yeltsin's supporters. Most estimates say 10 to 15 per cent of the vote can be rigged — and if last December's parliamentary elections are anything to go by this is true. Yeltsin's party led the polls in Chechnya even while he was bombing it. His best results came from the vast military bases where international observers were excluded on "security", grounds, and in areas such as Tatarstan which are run as one-party states.

I was amazed by how quickly I gained access to Zyuganov. There were none of the ostentatious trappings that surround so many senior politicians. His office is purely functional and he makes notes with a cheap pen on a plain writing pad. Apple juice is available out of a carton. His inflections and body language make him one of the easiest-to-read politicians I have met.

His background is revealing. He consistently refused promotions to Moscow under the corrupt Brezhnev regime. He arrived only once Andropov had taken over and launched his campaign against corruption. I first heard Zyuganov's name four years ago when the Communist Party was illegal, its assets seized and most of its leaders gone off to run capitalism. In those days he was confined to a small office with broken furniture, but I was told that he was the person who held all the keys to relations between the Communists and the patriots. He firmly repositioned the Communist Party as the patriotic defender of Russia, winning over millions of ordinary people who were originally seduced by Vladimir Zhirinovskiy and the extreme right. He now has the backing of over 100 separate organisations reaching well beyond the Communist Party.

Zyuganov has very clear views on Russia's external relations. "The break-up of the USSR was a disaster which crippled every former republic," he says. "Co-operation in the CIS is not carried out. We shall take all the necessary measures for voluntary restoration of fraternal ties between Russia, Ukraine, Belarus and Kazakhstan. This will lay the foundations for the stage-by-stage voluntary rebuilding of the union."

He points out it is "hypocrisy", to argue that France and Germany might move towards a single federal state, but that if Russia and Belarus reunite this suggests "imperialism". He is equally firm on Poland: "We are against sabre rattling and Nato's expansion to the East." He believes it is purely aggressive to extend Nato to Russia's borders, a position shared by every Russian politician. He makes it clear he is prepared to give undertakings and guarantees to ensure the security of Poland, but says that the West would be foolish to misjudge just how provocative the arrival of American Nato troops would seem on Russia's borders.

He is interested less in the crippling burden of the new arms race triggered by Nato's expansion than in the possibility of developing economic links between

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Russia and the European Union as the best long-term guarantee of peace.

If Zyuganov has a potential Achilles' heel, it is the economy. Corruption defies belief. Ninety per cent of all private economic activity is linked to organised crime, and the looting of Russia has reached the point where 820 billion (13.3 bn pounds) a year is being exported to western banking havens. Russia faces financial disaster after the election. Yeltsin has been charged 200 per cent interest for money he has borrowed to pay outstanding wages. "Domestic industries meet only 20 per cent of consumer need," Zyuganov warns, "and our rulers have created so many debts we will not be able to pay them off in 200 years. We have to make the production of commodities much more profitable than brokerage and speculation."

Once again echoing New Labour, Zyuganov's economic statements can be interpreted in different ways. He talks of "amendments" to the legislation on privatisation and currency exchange, but also remains committed to public ownership. He is prepared to stabilise the rouble by using "all Russia's national wealth — gold, diamonds, oil and gas", and promises to restore state ownership of national resources whilst introducing a "state monopoly on foreign trade in natural resources and strategic goods".

He believes the state should retain "control" over the major industries, but there is not even a hint of desire to return to a monopoly nation economy. The mair danger appears to be that of underestimates the degree of damage to the economy done by Yeltsin. The skill of this politician who has assembles a very broad coalition could become a liability in government as the very breadth a that coalition slows the process of making the necessary radical economic changes.

At the risk of shocking some people, I believe Zyuganov would be more democratic than the present regime for two reasons. First, he wishes to reduce the present arbitrary power concentrated in the presidency and the mayors of big cities. "It is necessary to amend the constitution so that the president is no longer the tsar and father of the nation. The president must be controlled by and accountable to the people's representatives. Not a single minister should be appointed without the consent of the legislative power."

Second, Zyuganov is openly contemptuous of the intellectual stagnation produced by the former system. "The party claimed a monopoly on everything: property, ideas, truth. We could not return to that even if we wanted. Yeltsin has accumulated more power than the tsar and the general secretary put together."

By trying artificially to prop up the utterly corrupt Yeltsin administration, we tern governments will make the reaction against them stronger when change finally comes. Perhaps we need a refresher course on the consequences of western support for the Shah of Iran.

Russia: Zyuganov Program To Give National Security Sectors Priority

MM2105160296 Moscow IZVESTIYA in Russian 22 May 96 p 1

[Report by Anatoliy Stepovoy under the "From Our Correspondents and News Agencies" rubric: "200,000 Monitors Will Be Working for the Communists"]

[FBIS Translated Text] Valentin Kuptsov, leader of G. Zyuganov's election staff, stated at a 21 May news conference that the Communists regard the [possibility of] falsification of the upcoming election as a reality. Therefore they intend to send around 200,000 of their supporters to all polling places, who will follow every step taken by commissions' staffers and take copies of all the returns.

Kuptsov described as "canards" all the calculations which have appeared in the mass media and supposedly relating to Zyuganov's election program. Although the CPRF [Communist Party of the Russian Federation] leader's economic program is still not ready, Tatyana Koryagina, one of its chief architects, reported that priority will be given to "national security sectors," namely agriculture, the agro-industrial complex, the military-industrial complex, and state enterprises and enterprises geared toward the domestic market, IZVESYIYA correspondent Anatoliy Stepovoy reports.

Russia: Zyuganov's Program Fixes Right to Private Ownership

LD2105121496 Moscow INTERFAX in English 1201 GMT 21 May 96

[FBIS Transcribed Text] Moscow, May 21 (Interfax) — Valentin Kuptsov, campaign manager for Communist leader and presidential contender Gennadiy Zyuganov, confirmed that Zyuganov's economic program under development now will fix recognition of private ownership.

As Kuptsov told a press conference in Moscow Tuesday, the economic part of Zyuganov's platform will be wider than the economic program of the Communist Party of Russia. To this effect there exists "a principal disagreement" within the so-called popular-patriotic forces, in particular, with leader of the Russian Communist Labor Party Viktor Anpilov.

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Anpilov demanded at one of the sessions of the council of the popular-patriotic forces "to put bankers to work with machine-tools" and to renationalize privatized property. Zyuganov came out firmly against such a plan, said Kuptsov.

Doctor of Economic Sciences Tatyana Koryagina, one of the developers of the economic part of Zyuganov's pre-election platform, said "the draft concept of the country's socioeconomic development under preparation by experts for Zyuganov does not provide for measures prohibiting circulation of the American dollar on Russia's territory and plans for a monetary reform."

The draft program provides for maximum guarantees for foreign investors in Russia and Russia's international creditors. According to Koryagina, priority in the economic sphere will be primarily given to agriculture, to enterprises whose production contains a potential threat to people's life and health and to firms working for the domestic market.

Zyuganov, as a candidate to the presidential polls, guarantees state support to small business and domestic goods producers. He intends to place banks under strict state control, Koryagina said.

Russia: Differences Between CPRF Program, Zyuganov Platform Explained

MM2105131796 Moscow PRAVDA in Russian 18 May 96 p 2

[Article by Viktor Trushkov: "Inspectors With Carbon Paper. Why the Communist Candidate's Platform Differs From His Party's Program"]

[FBIS Translated Text] A plenary session of the CPRF [Communist Party of the Russian Federation] Central Committee will be held today. It will be mainly devoted to questions of stepping up agitprop work in the concluding phase of the Russian Federation presidential election campaign.

The nearer we draw to 16 June, the more hysterical becomes the anticommunist cacophony, accompanied, moreover, by a mass launch of "canards" stuffed with lies. This music contains both short-lived themes, and endless variations on a single theme. For example, it has become the favorite occupation of anti-Communists to compare the text of presidential candidate G. Zyuganov with the program of the party he leads. And invariably we hear these inspectors, carbon paper in hand, cry in feigned surprise: "Stop, thief!" The documents, do you see, are not identical! That means that the Communists are...frauds. By way of confirming this conjecture they even hypocritically make use of clumsy synopses by someone or other of...the history of "war communism." Here, they say, is the secret maximum program; this is why the election platform and the well-known CPRF program do not coincide.

There is no use in explaining oneself to liars. But it is impossible not to explain oneself to those who have been confused by this lie, those in whom it has sown doubt. These people are the main target of today's agitprop work.

True, the election platform of the CPRF Central Committee chairman does differ from the CPRF Program. But it would be far more surprising if these two documents were identical. The opposition's main achievement at this stage is that an alliance of people's patriotic forces has finally been formed and has really begun to work. It is the power of this alliance that fuels real hope of a left-wing victory. After all, the CPRF — Russia's largest political party — marches shoulder to shoulder in the "columns" of people's patriotic unity with other parties and associations. That is why it is impossible to copy the platform of a broad left-wing alliance and its candidate from the CPRF program, even though the CPRF provides the cement in this association.

But even if the CPRF were going into the elections on its own, the platform of its candidate would still not be a repetition of the party program. Society today does not contain only adherents of socialist ideas. And indeed, the ranks of these adherents themselves contain many ideological differences. Therefore the program of the state power headed by Communists should at any given historical moment be geared toward the feelings of the majority who work, and not to the letter of the party document. This was the original precept of the Communists, and as long as it was observed, it always justified itself. Let us recall only the famous Decree on Land. It differed greatly from the Bolsheviks' program — it was a Socialist Revolutionist program, yet it also coincided with the demands of the peasant majority. Communists fight for power so as to become the government of the people.

The mood of the majority is also changing. The future may bring them closer to the CPRF's program aims — in that case modifications will also appear in state policy. The future could also overturn some particulars of the party program — in that case it will have to be amended. There are just two first principles that Communists must not betray. First, their concern is the good of the Fatherland. Second, with whomsoever the CPRF cooperates, whatever compromises it makes, its actions cannot be detrimental to the majority in the country who work.

A further point: The party's program is a long-term document that looks toward a certain **stage** in our soci-

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ety's development. The election platform is a document whose real life is limited to **four years** — in the event of success at the elections. The horizons of the two documents are very different. Therefore, the documents are themselves bound to differ.

When the Communists and their allies successfully wield the power constitutionally conferred on them, when the people's support for this regime is beyond doubt, when Russia has been turned aside from the abyss, the people's patriotic alliance will propose a new platform for new elections. It is to hoped that this platform will be more socialist.

Today, however, we must resolve today's problems. Alas, the building of socialism, even after the Kremlin has changed "tenants," will not figure among state priorities in the next four years. To pull the country from the pit and return to the working people the social gains they enjoyed until recently, when they were snatched away from them by the capitalists — those are the priority tasks of the popular patriotic government. This is the yardstick that should properly be applied to the election documents. To check them to see how far they tally with the party program — to say nothing of the blatant falsifications — is an ignoble enterprise. Provided that their vectors of movement do not differ. But if such an anticommunist cacophony is abroad, the vectors of the candidate's platform and the CPRF program must be identical.

Russia: CPRF Plenum on Election Campaign Discussed

MM2105135296 Moscow PRAVDA in Russian 21 May 96 p 1

["Notes From CPRF Central Committee Plenum" by Viktor Trushkov: "Keys to the People's Trust"]

[FBIS Translated Text] At the very time when Yeltsin was persuading simple first graders to tirelessly badger their pop and mom and their grandmothers and grandfathers to vote for uncle Boris in the presidential elections, a plenum of the Communist Party of the Russian Federation [CPRF] Central Committee was being held at the "Mosenergoremont" plant. I think this is very symbolic: The Communists held their last plenum before the elections 18 May at a plant, although it was the weekend. In other words, in a place where they are supposed to have a presence.

The Sixth CPRF Central Committee Plenum was devoted to the party's agitation and propaganda work ahead of the presidential elections. The atmosphere was one of firm confidence and a lack of complacency. Communists realize perfectly well that the fight for votes is primarily a fight for their compatriots' minds and hearts. Victory in this spiritual field is the only real guarantee of minimum falsification during the counting of the votes and of a civilized transfer of powers from the loser to the victor.

Why do the Communists feel so confident? Given the present general love of opinion polls, I too will begin with "gauges of popularity." Since the people's patriotic forces have no interest in self-deception, their figures can be entirely trusted. Admirers of B. Yeltsin are clearly in the lead in Moscow, Leningrad, and Sverdlovsk and Chelyabinsk Oblasts. In the capital, for instance, there are 2.3 times as many of them as there are of G. Zyuganov's supporters. But the rest of Russia thinks otherwise. In other regions the president's popularity is half the level of support enjoyed by his main rival — the candidate of people's patriotic forces. Overall, G. Zyuganov is 10 percentage points ahead of B. Yeltsin.

Second, there is no region where the popularity of left-wing forces has declined in comparison with the December elections. Even where representatives of the "party of power" won the local elections, the united left collected more votes than in the State Duma elections. This trend was brilliantly demonstrated by V. Fedotkin, first secretary of the Ryazan Oblast party committee. This oblast is usually regarded as one of the Yeltsin regime's firmest strongholds. But elections to local organs were held recently. Out of 23 deputies in the city of Ryazan 16 are Communists and another three are supporters of us. They have recreated the city soviet there, and it is chaired by a secretary of the oblast party committee with great experience of economic and social work. In one rural rayon all the deputies are supporters of the CPRF, in another 94 percent are....

Third, an effective coalition of people's patriotic forces has taken shape. Both on the Russian scale, and at local level. It is not only influencing the expansion of support for the single candidate, but is also facilitating the true consolidation of the main groups in society. Thus the plenum participants greeted with interest the report by Novosibirsk Communist leader V. Kuznetsov that a forum of the intelligentsia will be held 25 May in the Siberian scientific capital.

Fourth, there is growing determination among all sorts of strata of society to resist the current regime. And the more insolent the administrative pressure is, the more resolute the protest becomes. CPRF Central Committee Member V. Paramoshkin described how chiefs of departments and sections in the Sakhalin Administration are being threatened: Unless in production collectives and other organizations you call on people to vote for Yeltsin, you can hand in your resignation. At one such

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administrative conference four of our comrades handed in their resignation. The organizers of this pressure began to panic: News of the protest instantly flashed round the whole oblast, and it met with extremely broad support.

However, the Communists also have not the slightest grounds for placidity and complacency. The activeness of the people's patriotic forces is stimulated each day by the regime's administrative pressure, the constant TV and radio stupefaction of the population, and the zombification of voters by means of the flood of presidential promises.... Finally, lies — the last refuge of the regime — are the main instrument of anticommunist propaganda. The publication in KOMSOMOLSKAYA PRAVDA of the alleged CPRF economic program was a filthy forgery. The author of the newspaper canard has already been to the party Central Committee to apologize. The response was a demand: Either the newspaper publishes a refutation of its own forgery in the next few days, or the CPRF leadership will institute legal proceedings.

Another recent "sensation" mixed up with lies was the report in the democratic press alleging that in an interview with AMURSKAYA PRAVDA G. Zyuganov declared that, once he becomes president, he will not take notice of V. Kuptsov, first deputy chairman of the CPRF Central Committee, and other "orthodox" Communists among the party leadership. In his long speech at the plenum G. Zyuganov also touched on this topic: "For me to talk in those terms, I would have to be a total idiot, not a politician. As for comradeship, why should I appoint V.A. Kuptsov leader of my election campaign staff if inwardly I did not trust him?! I totally trust him and I do not check up on anything he does." Another speaker — Amur Oblast Party Committee First Secretary G. Gamza — described the "nest" from which the underhand "canard" took wing: Apparently the name of V. Kuptsov was mentioned not by G. Zyuganov, but by the correspondent who asked the question, and the piece in AMURSKAYA PRAVDA was clearly sympathetic to the presidential candidate of people's patriotic forces.

However, the plenum recalled blatant falsifications in a broader context — in discussing ways of increasing the effectiveness of campaign work in favor of our candidate. The report by A.A. Shabanov, deputy chairman of the CPRF Central Committee, devoted great attention to the assertiveness of the party's ideological work during the election period and the targeting of campaign work. The Central Committee members were very serious in their approach to the question of monitoring the honesty of the counting of votes. There must be specific people responsible for this task in each organization. It is not a one-shot job for a single night; we must prepare for it right now.

L. Oleynik (Kurgan party organization) drew attention to the need during the weeks before the elections for vigorous targeted work with regional leaders of anti-Yeltsin noncommunist organizations, with the heads of local administrations, and with economic leaders. "Mosenergoremont" Director A. Kozlov spoke about daily work in labor collectives. L. Petrovskiy, chairman of the Party Central Control Commission, suggested looking at how [former] party property is being used at local level — have rayon party committee buildings, houses of political enlightenment, and so forth been handed over to schools and courts, as proclaimed by the presidential edict, or have they become cozy nests for commercial structures and officials?

Among other topics, the economic program of the people's patriotic forces deserves particular attention. It will be made public in the next few days. V. Knysh (Khabarovsk Kray), A. Smirnov (Nizhnevartovsk), and others stressed that skillful propaganda of it must win waverers over to our side. Its content must be conveyed to all voters. We must not forget to acquaint all economic leaders, including those that shun the left-wing opposition, with it.

These notes about the Sixth CPRF Central Committee Plenum can best be concluded with the final words of G. Zyuganov's speech: "One final point. Self-possession! We must display spartan self-possession.... We must provide no opportunity for provoking any illegal actions. According to specialists, the last 10 days of May will be particularly disturbing because then the possibility of canceling the elections vanishes from the purely technological viewpoint."

The plenum elected G.N. Seleznev a member of the CPRF Central Committee Presidium, relieving him of his duties as Central Committee secretary. L.D. Chirkov was approved as chief editor of PRAVDA ROSSII (published as a supplement to PRAVDA — V.T.).

Russia: Lebed Says 'Third-Force' Coalition in Elections 'Non-Existent'

LD2105141696 Moscow ITAR-TASS in English 1358 GMT 21 May 96

[By Yevgeniy Tkachenko]

[FBIS Transcribed Text] CHELYABINSK, May 21 (Itar-Tass) — The "third-force" coalition is non-existent in the presidential election campaign, retired General Aleksandr Lebed said.

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Lebed was one of the ostensible triumvirate, two others being economist Grigoriy Yavlinskiy and eye surgeon Svyatoslav Fedorov, to challenge President Boris Yeltsin and communist leader Gennadiy Zyuganov in the June 16 election.

"There is not any 'third force' in the presidential elections in Russia," Lebed reiterated during his today's meetings with electorates in Zlatoust and Miass.

Lebed finished his two-day trip to the South Urals today, to travel on to the Sverdlovsk region.

He said his most concern was the stand-off between the "reds" and "whites," or communist-minded electorates and opponents of the communist cause.

"The elections exist to avoid the fight and solve the problem of power in a peaceful way. The main thing is for our people to break with political muteness," Lebed said.

Russia: Poll Data Putting Yeltsin in Lead Disputed

MM2105135996 Moscow SELSKAYA ZHIZN in Russian 18 May 96 p 1

[Article by Anatoliy Sidorov under the "Relevant Notes" rubric: "Opinion Poll... Lackeys"]

[FBIS Translated Text] There is alarm in the president's camp — the latest opinion poll from the Institute of the Sociology of Parliamentarianism shows that 26 percent of Russians are prepared to vote for Gennadiy Zyuganov, leader of the left-wing opposition, whereas only 16 percent support Boris Yeltsin. The panic is due to the fact that at the end of last year the same institute accurately forecast a victory for the left-wing forces in the elections to Russia's State Duma. Then what happened? The VTsIOM (All-Russia Center for the Study of Public Opinion on Social and Economic Questions) immediately produced its own staggering statistics: 31 percent of Russians are prepared to vote for Yeltsin and only 29 percent for Zyuganov.

So we're off!

I switched on the television and saw the popular masses greeting Boris Nikolayevich with a roar of delight in Volgograd. I switched on the radio and it was the same picture of popular mass processions in the capital and on the streets of Astrakhan. In the newspapers which consider themselves democratic it is the same story told in the same way.

What is the poor peasant to do? The idea sometimes flashes through the thinking man's mind — should he not just give up and vote for B. Yeltsin given that he is well received everywhere and people on every street corner are saying that he is bound to win? You would think that he had already won if you believed the latest VTsIOM polls. For example, they argue absolutely clearly that the popularity of Gennadiy Zyuganov, leader of the people's patriotic opposition, has "frozen" whereas Boris Yeltsin's popularity is just beginning to "warm up" and it will not be long before he starts to generate nationwide recognition. It is claimed that if the election were held right now, today it would be obvious even to a blind man what the result would be — that only 37 percent would vote for the leader of the left-wing opposition while as many as 45 percent (!) would vote for the president. Should we make a fuss over 6 percent? Just add it onto Boris Nikolayevich's total and that will be that. After all, the VTsIOM figures show that young and middle-aged people and the most educated, industrial regions support the incumbent president.

But here are the figures from VOX POPULI, another public opinion service, which strangely enough completely rebut the VTsIOM polls. "President Yeltsin's actions aimed at strengthening Russia's ties with the former USSR republics have had **little or no success**," according to 51 percent of respondents. "President Yeltsin's actions aimed at the introduction of private land ownership have had **little or no success**," according to 53 percent of respondents. "President Yeltsin's actions aimed at clearing the wages and pension arrears have had **little or no success**," according to 82 percent of respondents. "President Yeltsin's actions aimed at intensifying the struggle against crime and corruption have had **little or no success.**" according to 87 percent of respondents. "President Yeltsin's actions aimed at resolving the Chechen conflict have had **little or no success**." according to 89 percent (!) of respondents.

Hence there are two possible conclusions: Either all the young and educated people of Russia have lapsed into a state of idiocy if they have made up their minds to vote for the present leader or else the sociologists serving the president's structures and the president himself are shamelessly and deliberately lying in an attempt to pull the wool over the voters' eyes and make them believe that the current leader of Russia is divinely chosen and is irreplaceable. Answer two is most probably correct. Because polls can diverge by as much as 3-5 percent, as experience shows, but not by twice as much, as it does with the VTsIOM poll! So where is the truth?

Vsevolod Vilchek, director of ORT's sociological service, admitted to journalists that the guaranteed accuracy of the forecasts is a PUBLICITY STUNT.

If you bear in mind that these polls are one of the sociological services' main sources of funding (and he who pays the piper calls the tune and gets the rating

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he wants — author's note) it becomes clear why Boris Nikolayevich's popularity has suddenly increased so much. After all, a small-scale snap poll costs around $12,000 (around 60 million rubles), one questionnaire costs $2 and it costs the client $350-400 (1.5-2 million rubles) to organize the response to it. That is where you will find the real truth behind the incumbent president's nationwide "popularity"!

Hence my conclusion is that we are being deliberately misled today about Boris Yeltsin's increasing popularity and they are trying to drum it into our heads that there is no one to replace him, nor can anyone replace him. The only thing that the opinion poll lackeys do not take into account is this — does the Russian voter's credulity match these far-reaching aims?

Russia: Economic Advisor Advises Against Hoarding Goods

LD2105143396 Moscow INTERFAX in English 1342 GMT 21 May 96

[FBIS Transcribed Text] MOSCOW, May 21 (Interfax) — Russians have no reason to stockpile food and goods so far, Aleksandr Livshits, the Russian presidential economic adviser, told Interfax Tuesday.

"We have information that in some regions people are beginning to stuff balconies and lumber rooms with merchandise and food. This is not justified," he said.

Livshits said that these people feel that if the Communists win the upcoming presidential elections, it is necessary to store all necessary goods in advance.

He described the approach as "irrational." Livshits believes Russia has enough food and merchandise in stock. In particular, he said wholesale reserves total 120,000 tonnes of meat, 800,000 tonnes of sugar, and 40,000 tonnes of butter. These reserves are 1.7 times higher than those of last year, he said.

There is no need to urgently purchase food and merchandise, Livshits said.

Even if the Communists win, "the Russian economy will survive their victory for several months because the reserves are really huge. In other words, everyone will have time to stuff their balconies with goods," said Livshits.

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Baltics: Baltic Assembly To Draft Common 'Arguments' for NATO

WS2205090696 Tallinn BNS in English 1741 GMT 21 May 96

[FBIS Transcribed Text] Riga, May 21, BNS — The Baltic Assembly (BA) will draft a common system of arguments for talks on NATO expansion.

BA Presidium Chairman Ivars Kezbers told a press conference af the the presidium meeting on Tuesday that Latvia, Lithuania and Estonia have taken political decisions on joining NATO but have tried to separately seek ways for talks with the NATO leadership.

BA Presidium considers that common tactics on the issue has to be drafted to make the process of joining NATO simultaneous for all the Baltic countries.

"The Baltic states have a joint geopolitical space and therefore the admission talks have to be held by Latvia, Lithuania and Estonia together," said Kezbers.

The BA Presidium also has decided to draft a common concept as well as strengthen the Baltic countries' eastern border and gradually "begin to pull down" mutual borders.

Baltics: Baltic Assembly Envisages Sea Border Agreement in One Month

LD2105173196 Riga Radio Riga Network in Latvian 1500 GMT 21 May 96

[FBIS Translated Text] A Latvian-Estonian agreement on the sea border could be ratified by both countries' parliaments within a month, it was agreed today by representatives of the presidium of the Baltic Assembly. So far the previous agreement signed at Rujiena [Latvia] has not been submitted to the Latvian parliament. Before signing the agreement, Prime Minister Andris Skele had received the support of Saeima commissions.

CIS: ITAR-TASS Carries Press Review for 22 May

LD2205071396 Moscow ITAR-TASS in English 0425 GMT 22 May 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, May 22 (ITAR-TASS) — Today's leading Russian newspapers do not single out any main topics.

The president of the Russian Academy of Sciences, Academician Yuriy Osipov, comments on the Russian president's "Decree on Measures To Develop Fundamental Sciences in the Russian Federation and the Status of the Russian Academy of Sciences" at the request of the IZVESTIA newspaper.

According to the president, a trend emerged among young people over the last one or two years to return to science. "Young people start understanding that it is not their lot to be a peddler all their life," Osipov writes.

Entrance competitions to higher educational establishments are steadily increasing, and the number of defended dissertations and their quality are on the rise.

The president flatly refuted rumours about the death of Russian science. It occupies top positions in some spheres, as before.

Authorities will soon establish a procedure under which any major acquisitions by citizens must be declared, that is it will be necessary to give an account on the origin of profits at a request of tax bodies.

IZVESTIA writes that the government completed an interdepartmental finalisation of a bill on state control over conformity between big expenses for consumption and actual incomes received by physical persons. Maksim Rakhimov, consultant of the tax reform department at the Russian Finance Ministry, comments in the newspaper on the ideas of the bill.

Member of the Russian Academy of Sciences Aleksandr Yakovlev contributes a feature to IZVESTIA where he examines in detail a recent address by a group of bankers who called for "a strategic compromise" among political parties and movements. The article is entitled "Bankers and Bolsheviks. Constrictor's jaws constantly draw Russia like a rabbit".

Under the heading "Kremlin's mail", the ROSSIYSKIY VESTI newspaper reviews the mail to the Russian president. "Growing numbers of Russians understand that the voting results on June 16 will predetermine Russia's future.

"Will it remain on the road of further development of democracy and a market economy? This will largely depend on who will head the state," write letters' authors. Two-thirds of letters' authors see Boris Yeltsin as a guarantor of changes.

The same daily carries a forecast by head of the Russian Central Election Commission Nikolay Ryabov that 80 percent of Russians will go to the polls on June 16. However, "it will be a joy if 85 percent come".

The ROSSIYSKAYA GAZETA newspaper prints an article entitled "How to decipher Yavlinskiy's smile". "Well-known stubbornness of Grigoriy Alekseyevich Yavlinskiy disastrously affected his outer appearance," the daily writes.

"His appealing light-minded curls which gave him a tint of semblance with Clinton, have disappeared

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somewhere. Where did he forget also an appealing but shy smile which draw people to him? Who has fatally distorted the appearance of the selfless people's protector that it is almost impossible to recognise him now?" the newspaper asks.

The same newspaper carries an interview with St.Petersburg Mayor Anatoliy Sobchak. "There is no need to introduce this man. He appeared on the political arena in 1989 for the first time, and he has been always 'in the limelight' since that time, remaining loyal to his invariable principle: democracy is law," the newspaper writes.

The army newspaper KRASNAYA ZVEZDA runs a material on rendering humanitarian aid to hungry people in Tajikistan by the 201st Russian division deployed in the republic as a constituent part of collective peacekeepers.

The same daily prints information entitled "Military and patriotic upbringing receives the president's backing." The newspaper writes about the Russian president's decree on measures of state support for mass associations engaged in work on military and patriotic upbringing of young people.

The KOMSOMOLSKAYA PRAVDA newspaper carries an article on illegal arms sales to Chechen rebels. "Politicians repeatedly discussed the problem of illegal sales of weapons and ammunition to Chechen gunmen. The media wrote about secret mountain paths, caravans from Islamic states and low-flying Dudayev's transports. However, everything is probably not so mysterious," the daily writes.

The trade union newspaper TRUD features an interview with Russian Labour Minister Gennadiy Melikyan. "It is impossible to put up with the fact that burdens of life have become unbearable for many Russians," the minister underlines.

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Russia: Primakov Affirms Russia's 'Special Interest' in Mexico

LD2105111896 Moscow Russian Television Network in Russian 0400 GMT 21 May 96

[Video report by A. Serikov; from the "Vesti" newscast]

[FBIS Translated Text] Russian Foreign Minister Yevgeniy Primakov's Latin American tour is continuing. The second day of the visit by the head of the Russian foreign policy department to Mexico began in the presidential palace, where Yevgeniy Primakov was received by Mexico's head of state, Ernesto Zedillo.

The working part of the visit continued at the Foreign Ministry, where Yevgeniy Primakov was received by his Mexican counterpart, Jose Angel Guerria. Here a more detailed conversation took place about the cooperation between our countries. We could work fruitfully in many fields, specifically in the exploration and peaceful use of space, the fight against the unlawful circulation and use of drugs, the scientific and technical field, education, culture, and sport. These ideas were concretely embodied in agreements, signed on behalf of Russia by Yevgeniy Primakov and by Jose Angel Guerria for Mexico.

[Begin Primakov recording] Mexico is one of the leading Latin American countries, with an advancing economy and growing political weight, and it would be wrong to neglect ties with such countries in a multipolar world. So this visit is, I think, not the first and not the last manifestation of our special interest in Mexico. [end recording]

Russia: Primakov Hands Mexican President Message From Yeltsin

LD2105112796 Moscow ITAR-TASS in English 0801 GMT 21 May 96

[FBIS Transcribed Text] MEXICO CITY, May 21 (Itar-Tass) — Russian Foreign Minister Yevgeniy Primakov and his Mexican counterpart Jose Angel Guerria signed here on Monday a large package of important intergovernment agreements. The signing ceremony was held at the Mexican Foreign Ministry.

They include agreements on cooperation in combatting drug trafficking, on scientific and technological cooperation, on cooperation in exploring and using the outer space for peaceful purposes, and also on culture, education, and sports. The ministers also signed several other documents.

Before that the Russian guest met Mexican President Ernesto Zedillo at the latter's city residence of "Los Pinos". Interviewed by Itar-Tass, Primakov spoke highly about the results of his meetings with the Mexican President and Foreign Minister. "Coinciding stands of the two countries on many problems came to light during the negotiations," he stated.

Itar-Tass has learned from sources within the Russian delegation that the Russian Minister had handed to Ernesto Zedillo a personal message from President Boris Yeltsin.

Delivering a lecture on Russia's foreign policy and its strategic directions at the Mexican Foreign Ministry on the same day, Primakov noted that Russia was interested in promoting relations with Latin America and was ready to work most seriously with the countries of that region. "Latin America," he said, "is a promising commercial and economic partner of Russia. The promotion of business relations with it meets Russia's long-range interests."

The Minister also noted the bright prospects of Russo-Mexican cooperation in science-consuming branches of modern technology, in the implementation of joint aerospace projects, in the gas and mining industries, in the sphere of the peaceful atom, in energetics, and in transport infrastructures.

The Russian Foreign Minister will fly to Havana today in accordance with the agenda of his official trip to the countries of Latin America. He will meet leaders of the Cuban State. A programme for promoting scientific, cultural, and sportive relations with Cuba is ready to be signed.

Russia: Foreign Minister Primakov Arrives in Cuba

LD2105230696 Moscow ITAR-TASS World Service in Russian 2245 GMT 21 May 96

[By ITAR-TASS correspondent Konstantin Zhukovskiy]

[FBIS Translated Text] Havana, 22 May (ITAR-TASS) — Russian Foreign Minister Yevgeniy Primakov arrived in Cuba on an official visit on Tuesday. He is to hold meetings with members of the Cuban leadership and sign bilateral documents there.

Havana is the second stop in Yevgeniy Primakov's tour of Latin America. From 19 to 21 May he was on an official visit to Mexico, and on 23 May he will fly from Havana to Venezuela.

The Cuban media and officials stressed the importance of the Russian foreign minister's visit to Cuba. It is expected to further boost the recently improving bilateral relations.

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Russia: Primakov — U.S. Not To Affect Ties With Cuba

LD2205073396 Moscow ITAR-TASS in English 0649 GMT 22 May 96

[By Konstantin Zhukovskiy]

[FBIS Transcribed Text] HAVANA, May 22 (Itar-Tass) — Responding to questions of journalists at the Havana airport, Russian Foreign Minister Yevgeniy Primakov, who arrived here today for an official visit, reminded them of Russia's stand with regard to the Helmes-Burton Law, adopted in the U.S., which tightened the trade and economic blockade around Cuba.

Primakov said that the law would not affect negatively the Russian-Cuban relations, and Moscow would continue to maintain relations with Havana. In his opinion, the Helmes-Burton Law creates a dangerous precedent, when a country tries to influence trade and economic relations of other countries. Previously the Russian Foreign Minister pointed out that tension around Cuba was the last block of ice that remained after the end of the "cold war," and Russia is ready to do all it can to destroy it.

Cuba and Russia are bound by relations of long standing and by mutual liking. Russian-Cuban ties have enormous potentialities for further development in the sphere of economy, culture and politics. "We have maintained relations with Cuba for many years and we believe in the extensive potential of the economic and political development of that country," Primakov said.

Russia: Primakov To Hold Talks With Cuban Counterpart in Havana

LD2205092996 Moscow ITAR-TASS in English 0855 GMT 22 May 96

[By Konstantin Zhukovskiy]

[FBIS Transcribed Text] HAVANA, May 22 (Itar-Tass) — Russian Foreign Minister Yevgeniy Primakov, who began his official visit to Cuba, will hold talks with Cuban Foreign Minister Roberto Robaina today. A treaty on cultural, scientific and technical cooperation is expected to be signed on the results of the talks.

Primakov will meet as well Cuban Minister of Foreign Trade Ricardo Cabrisas and Deputy Chairman of the State Council of Cuba Carlos Lage.

In the opinion of local observers, the Russian Foreign Minister will discuss with Cuban officials the whole range of issues dealing with bilateral relations, ranging from trade and economic cooperation to the details of the foreign policy of both countries. Primakov's visit to Havana is regarded here as a manifestation of Russia's new policy, aimed at restoring its positions among the third-world countries.

Russia: Moscow Checks Information on China's Interest in Missiles

LD2205102196 Moscow ITAR-TASS in English 1017 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW May 22 (Itar-Tass) — The United States is urging Russia and Ukraine not to sell missile technology to China, U.S. Defence Secretary William Perry told journalists on Tuesday. He said they had information that China was trying to get the technology from Russia, connected with SS-18 missiles. The U.S. believes it would be an enormous mistake, and both the Russian and Ukrainian governments were informed of the U.S. stand on this problem. In the opinion of the U.S., any transfer of missile technology would be a violation of the START-1 treaty and the missile technology control regime, Perry said. The U.S. also expressed concern over the problem to China.

According to the information of Itar-Tass correspondent in Washington Igor Borisenko, Perry did not specify what technology, connected with Russia's most powerful intercontinental ballistic missiles, he had in mind.

The Russian Foreign Ministry believes, however, that reports about China's attempts to get in Russia the technologies, connected with SS-18 intercontinental ballistic missiles, are at variance with the real situation. Nevertheless, Moscow is now checking the information, a high-ranking Russian diplomat told Tass in Moscow.

"We are checking the information, but the first impression is that it is false," the diplomat, who preferred to remain anonymous, said. "So far as Ukraine is concerned, we know nothing, and one should contact Ukraine to learn more about it. Since, according to press reports, the information might leak from 'non-state' sources, everything should be checked once again."

Russia: Moscow Has 'No Data' on China's A-Blast Intentions

LD2205104496 Moscow ITAR-TASS in English 1030 GMT 22 May 96

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, May 22 (Itar-Tass) — "Russia has no data on China's intention to make another nuclear explosion in the near future," the Russian Foreign Ministry spokesman said in an interview with Itar-Tass here on Wednesday. However, he made a reservation that there were press reports on this topic.

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He stressed that Russia invariably favours the observance of the moratorium on nuclear tests. Their continuation "would not create a favourable atmosphere for completing the talks on a Treaty for universal prohibition of nuclear testing," the diplomat added.

"We believe that the observance of the moratorium meets the interests of the earliest completion of the talks on a treaty," the spokesman emphasised.

He noted that an understanding was reached during the recent Chinese visit by Russian President Boris Yeltsin that China, together with other nuclear powers, would actively participate in drafting the treaty.

China repeatedly underlined that, in contrast to other nuclear powers, it "has never declared a moratorium".

Russia: Ministry Official: Bonn Disarmament Conference 'Useful'

LD2105200096 Moscow ITAR-TASS in English 1924 GMT 21 May 96

[By Gennadiy Temnenkov]

[FBIS Transcribed Text] BONN, May 21 (Itar-Tass) — The international conference on disposal of nuclear, chemical and conventional weapons finished in Bonn suburb today.

"The talk has been sufficiently business-like and professional, and debates which were proceeding on all three 'baskets' — chemical, nuclear and convential disarmament — has proved useful," Russian Foreign Ministry senior official Sergey Kislyak told Itar-Tass.

Some 100 experts from many states have attended the conference, held in the Petersberg government residence outside Bonn, to discuss the coordination of disposal programmes.

Kislyak said the progress on the three lines of disarmament was different and dependent on motivation of states to handle them.

The Russian delegation hailed the speech of the Netherlands' foreign minister, who has announced a new programme of assisting Russia's projects of chemical weapons disposal.

As for nuclear disarmament, Russia and the U.S. have made an account of their compliance with the Start-1 treaty, Kislyak said.

The "nuclear basket" had a lot of technical issues which were discussed in great detail, Kislyak said.

The debates had in the background the recent nuclear summit in Moscow.

Russia has stressed its readiness to stick to its commitments on cutbacks in conventional weapons, but also has pointed out the need for updating the treaty on conventional arms in Europe and adapting it to Europe's new realities. It may be said the conference has developed an understanding for the treaty's modernisation, Kislyak said. Specific steps in this direction remain to be determined, he added.

The foreign ministry official said the conference had displayed a growing understanding for the need for economic assistance of Russia's disarmament programmes.

Russia's disposal programmes are huge, accounting for close to a quarter of the 50,000 of units of weaponry which are to be scrapped.

Russia: Foreign Ministry: Dayton Accords Must Be Implemented

LD2105152496 Moscow INTERFAX in English 1503 GMT 21 May 96

[FBIS Transcribed Text] MOSCOW, May 21 (Interfax) — Moscow's position is that Republika Srpska, the Serb-controlled half of Bosnia, like the Moslem-Croat Federation, should fully implement the Dayton Accords, a high-ranking Russian Foreign Ministry official told Interfax Tuesday.

He said Bosnian Serb leader Radovan Karadzic had taken a series of counterproductive steps lately. In particular, he refused to send a delegation to Brussels to participate in an international conference of donors for Bosnia and sacked the prime minister of Republika Srpska, Rajko Kasagic, who represented the Bosnian Serbs at talks with the international community.

Commenting on Karadzic's decision to cede some of his powers to Bosnian Serb Vice President Biljana Plafsic, the diplomat said the negative attitude of a part of the international community compelled Karadzic to take this compromise step.

While Remaining the Bosnian Serb president, Karadzic turned the focus on Plafsic, whose views are not very different from his own but whom the international community regards as a person with whom it is possible to make contacts, said the diplomat.

He would not say what Moscow's attitude would be to Karadzic's resignation. "For us, it is most important that the Dayton Accords be fully implemented. Whether Karadzic will remain Bosnian Serb president is another question," said the source.

He recalled that the international tribunal for former Yugoslavia had charged Karadzic with war crimes. "Under the Dayton Accords, persons charged by the tri-

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bunal cannot participate in elections or hold government posts," said the diplomat.

At the same time he said the charges against Karadzic are yet to be proved.

There are no insignificant details in the Balkan settlement, said Russian Foreign Ministry spokesman Grigoriy Karasin.

"All details are important, including the issue of Bosnian Serb leader Radovan Karadzic. But it is important that these details do not obscure the main problem," he told a briefing in Moscow Tuesday.

The main problem is not Karadzic personally but the need to ensure the implementation of the Dayton Accords, he said.

Russia: Deputy Minister Urges Solution to NATO Expansion Issue

LD2105134896 Moscow ITAR-TASS in English 1253 GMT 21 May 96

[By Sergey Oleynik]

[FBIS Transcribed Text] DUBLIN May 21 (Itar-Tass) — Russia has objected and will continue to object against "full" NATO membership for Central and Eastern European countries, since that may entail the deployment of nuclear weapons and additional military contingents in proximity to Russia's borders, Russian Deputy Foreign Minister Sergey Krylov stated.

However, those countries' limited participation in NATO after the pattern of France, which for a long time took part only in the political structures of the North Atlantic Alliance, could be an acceptable compromise. The Russian diplomat, who leads a Russian Foreign Ministry delegation at political consultations in Dublin, also pointed to another possible solution to the NATO eastward expansion problem.

Central and Eastern European countries and the Baltic republics give three reasons to explain their striving to join NATO: the need for security guarantees, the aspiration for integration, and the gaining of access to up-to-date technologies, Krylov said.

"However, all these 'benefits' are within their reach within the framework of the European Union or other regional non-military organisations," Krylov said. By way of example, he cited neutral Ireland which, due to joining the EU, has become one of the most prosperous and industrially developed European countries.

In an Itar-Tass interview, Krylov emphasised the importance of keeping intact the European disarmament agreements, [and which] would become invalid in the event of NATO expansion. "The geopolitical situation in Europe would sharply change and a number of nuclear and conventional arms reduction treaties, signed in the 1980s, would simply lose sense," the Russian Deputy Foreign Minister stated.

Russia: Moscow Wants CFE Treaty Adapted to New Political Reality

LD2105130496 Moscow INTERFAX in English 1250 GMT 21 May 96

[FBIS Transcribed Text] MOSCOW, May 21 (Interfax) — Russia doubts whether all the participants in the conference now underway in Vienna on the Conventional Forces in Europe (CFE) Treaty share Moscow's intention to see the conference succeed and strengthen the restrictions regarding conventional arms in Europe, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow on Tuesday.

The Russian delegation at the conference wants the CFE Treaty "to be adapted to the new military-political reality that has evolved in Europe since the treaty's signing in 1990," he said.

The Russian delegation "put forward specific proposals regarding the treaty's modernization that are supported by a number of countries, especially those countries that, like Russia, have appeared on ex-USSR territory," said Karasin.

The Russian side is also seeking "a settlement of the remaining problems related to the treaty," he said. This includes "the destruction of conventional arms beyond the Urals" and a settlement of the problem concerning "the so-called flank limitations," Karasin explained.

"Positions concerning the flank limitations were brought somewhat closer during the talks with the U.S. delegation, and [we] hope that the desired results will be achieved," he said.

"Success was also achieved regarding the settlement of the issue of the destruction of conventional forces beyond the Urals on the basis of the statement made by the Russian representative at the joint consultative group," Karasin said.

"However, unfortunately, two delegations actually blocked this decision's adoption at the last moment," he said.

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Russia: North Atlantic Assembly Seen Unproductive for Moscow

MK2105130196 Moscow NEZAVISIMAYA GAZETA in Russian 21 May 96 pp 1-2

[Report from Athens by Andrey Poleshchuk under the "Forum" rubric: "Disputes in Athens. No Progress on the NATO Expansion Problem Could Be Reached"]

[FBIS Translated Excerpt] [Passage omitted] The very first day of the North Atlantic Assembly session had an unpleasant surprise in store for the Russian delegation. The Defense and Security Committee, bowing to an insistent request by the German representatives, included on the agenda a discussion of the draft resolution "On Compliance with CFE Obligations". This strongly worded resolution calls for strict and unconditional compliance with the Treaty on Conventional Forces and Weapons in Europe. The Russian delegation put forward a number of amendments, which essentially boiled down to the acknowledgment of serious changes in the military-strategic situation on the European continent and the proposal to bring the treaty into line with the current realities, thus considerably increasing its effectiveness. [passage omitted]

Presumably, the next day did not raise the spirits of Russian participants in the session either. At the meeting of the Political Committee — perhaps the key agency in the structure of the North Atlantic Assembly — discussion largely centered on Russia's stance with regard to NATO's planned expansion through the admission of the Baltic, as well as East and Central European states, into the alliance. Sergey Karaganov, a member of the Presidential Council and deputy director of the European Studies Institute of the Russian Academy of Sciences, who was invited to attend the session as an independent expert (Mr. Karaganov repeatedly and insistently stressed this fact during his speech), delivered a report on the subject.

Sergey Karaganov clearly outlined his stance from the outset: Russia will respond to NATO's expansion with its famous "No." The report giver made it clear that the pro-NATO sentiments of the Baltic states — Lithuania, Latvia, and Estonia — have been causing particular irritation in Russia. In that regard he dropped the following phrase: "The Baltic states are the countries that may fear Russia. It is not that Russia is planning to attack them, no, but the thing is that these are small territories that for centuries belonged to Russia...."

As regards strategic competition over Ukraine, Sergey Karaganov is certain that Russia will, in the end, gain the upper hand in the struggle, and that Ukraine will remain on friendly terms with Russia. "It has simply nowhere to go except toward Russia," he emphasized.

By and large, the Presidential Council member was at great pains to play down the importance of NATO's expansion, insisting that there are more important things to attend to — the creation of a European security system, for instance, that would operate effectively in the 21st century. Furthermore, he is extremely worried by the imperfection of the Final Act of the Helsinki meeting, for which reason he proposed that a new document — something like Helsinki-2 — be drawn up and signed.

"In this case the problem of NATO expansion will become an increasingly unimportant question," Mr. Karaganov assured the audience. "This process will only be an element of a new structure of European security in the 21st century. If we start this movement now, I want to assure you that Russia will do its utmost to support it."

Meanwhile, members of the official Russian delegation, for their part, heaped criticism on Sergey Karaganov.

"Perhaps his speech was of some interest for the local public in terms of its style, manners.... But I was bored by it," said Sergey Boskholov, deputy chairman of the State Duma's Security Committee from "Russia Is Our Home."

Mr. Boskholov thinks the Security Committee's stance on the problem to be correct; that is, NATO's expansion cannot be averted, but this process should be carried out in a gradual and balanced fashion — the Baltic states and the countries of Central and East Europe should join the Council of Europe and other European political structures first — and only after that, NATO, but not its military committees.

NATO must heed the Russian viewpoint, otherwise, Sergey Boskholov said, a counterbalance is set to be created in the form of Russia's military union with Belarus, Kazakhstan, and, possibly, Kyrgyzstan.

Vladimir Volkov, member of the State Duma's Defense Committee from the CPRF [Communist Party of the Russian Federation] faction, added that the West still considers Russia its No. 1 enemy and will only calm down when Russia has been fragmented after the fashion of the USSR and its territories have become protectorates of Japan, South Korea, the United States, Canada, Turkey, Israel, the FRG, and the Scandinavian countries.

In the view of Aleksey Arbatov, deputy chairman of the State Duma's Defense Committee from the "Yabloko" faction, Sergey Karaganov's report only increased many

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delegates' desire to see their respective countries within NATO.

"While opposing NATO's eastward expansion, we have not offered anything in exchange. Firmness in approaching this problem should be based on power and constructive ideas. Unfortunately, we are short on both," Arbatov said.

Russia: Russia Officially Applies for OECD Membership

LD2105153396 Moscow ITAR-TASS in English 1255 GMT 21 May 96

[By Nikita Yermakov]

[FBIS Transcribed Text] PARIS, May 21 (Itar-Tass) — Russia has officially applied for the Organisation for Economic Cooperation and Development (OECD) membership, it was announced at an annual OECD Ministerial meeting here on Tuesday. An appropriate letter from Russian Prime Minister Viktor Chernomyrdin has been delivered to OECD Secretary-General Jean-Claude Paye.

Russia is prepared to join the OECD as well as the related agencies such as the International Energy Agency and the Nuclear Energy Agency.

The OECD brings together 27 leading industrialised countries with the liberalised economy. Cooperation between Russia and OECD began two years ago after a bilateral agreement was signed.

Out of Eastern European countries, the Czech Republic and Hungary were the first to join OECD. Poland is expected to be admitted this coming summer, and South Korea will be next-in-turn.

Russia: EU Maintaining 'One-Sided' Restrictions

MM2105145896 Moscow FINANSOVYYE IZVESTIYA in Russian 16 May 96 p 1

[Article by Aleksey Portanskiy: "EU Presents Plan To Support Reforms in Russia a Month Before Presidential Election" — received via Internet]

[FBIS Translated Text] The EU has announced the adoption of the EU Action Plan in Support of Russia's Movement Toward Reform five weeks before the Russian presidential election.

The EU initiative has no formal connection with the upcoming election in Russia, according to German Foreign Minister Klaus Kinkel, who announced it, and is long-term in design.

As for the document's content, it is more a collection of principles and intentions regarding relations between the EU and Russia than a specific action plan complete with timetables and means of implementation.

The plan is designed to provide comprehensive assistance to Russia in building a democratic state and forming a market economy.

In the political sphere the EU would wish to avoid in its relations with Moscow complications or misunderstandings like those which have occurred over the plans for NATO expansion and the Chechen conflict.

The EU considers that the two sides have already drafted a long-term legal basis for relations in the form of the Agreement on Partnership and Cooperation signed in 1994, which is at the stage of ratification by the parliaments of the EU states and Russia. The Provisional Agreement on Trade, which contains the provisions of the Agreement on Partnership and Cooperation which do not require ratification, was enacted 1 February.

The EU states are ready to facilitate Russia's very swift integration within the world economy and to this end intend to continue to help Russia join the World Trade Organization.

The EU expresses its readiness to further the development of competition among Russian enterprises and enhance their competitiveness. Support for Russia's efforts to create an environment attractive to national and foreign investment has been promised. It is planned to encourage the creation of joint ventures between European and Russian partners in the sphere of small and medium-sized businesses.

The EU is Russia's main trading and economic partner — EU countries account for more than 40 percent of Russia's trade turnover, and this figure is growing. The removal of barriers in trade with the EU is producing a marked reduction in export losses, which, according to experts, have hitherto amounted to hundreds of millions of dollars per year.

Russia's export losses are due to the operation of one-sided quantitative restrictions by its Western partners and antidumping procedures. Whereas the former are now being removed with the enactment of the Provisional Agreement on Trade (with the exception of the trade in textiles, steel, and nuclear materials), the latter continue to operate.

Brussels does not regard the application of antidumping procedures against Russia as a discriminatory measure because they operate against many countries and, as far as Russia is concerned, affect only a negligible part of Russia's exports. The European Commission constantly reminds us that Moscow's trade balance remains positive and that its exports to EU countries

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continue to grow, with an average EU duty of 1 percent, whereas European goods are subject to 15-18-percent duty when imported into Russia.

Moscow does not object to antidumping measures in principle; however, it does not accept that they should continue to be applied to Russia as a country with a nonmarket economy, that is to say, in a way that is not in accordance with the general world rules enshrined in the GATT. This deprives Russian producers of natural competitive advantages.

The recognition of Russia as a country with a market economy is a question of fundamental importance to Moscow. However, the EU Action Plan adopted in Brussels contains very vague wording on this score: "The regular assessment of Russia's progress toward a market economy is based on clearly determined criteria."

There are in reality no clear-cut criteria in the world which make it possible to determine the extent to which an economy is market-oriented. So the criticism of Moscow that we have state regulation of the economy here do not look credible, if only because state regulation of the prices of sources of energy exists in many Western countries.

In Belgium, for example, bread prices are regulated to a far greater extent than in Russia; however, it is not criticized for being insufficiently market oriented. The European Commission intends to start an investigation of France, whose government has announced measures worth 2 billion francs in support of its national textile industry. Paris is charged with attempting to create unjustified competitive advantages for its own enterprises. In general, in the opinion of authoritative Russian and foreign experts, the degree of state intervention in the economy in France is greater than in Russia, yet no one questions the market nature of the French economy.

On the other hand, states like Bulgaria, Romania, and the countries of the Baltic were recognized as market-oriented countries in record time after the changes of system there, and without any special problems.

Russia: Chechen Envoy Seeks Western Mediation

BR2105111196 Copenhagen POLITIKEN in Danish 17 May 96 p 10

[Interview with Usman Fersauli, Chechen Army colonel, by Ib Faurby: "The West Should Mediate in the Russian-Chechen Conflict"]

[FBIS Translated Text] Only Western mediation can ensure a durable solution to the Russian-Chechen conflict. However, for reasons of international politics many Western countries and organizations have been hesitant and have refrained from condemning the genocide which is taking place in Chechnya.

But in Denmark there is widespread sympathy for the Chechen people. That is why the Chechen leadership is hoping that Denmark will take the initiative for a more active Western attempt to find a peaceful resolution to the conflict.

So said Usman Fersauli, the nephew of the late Chechen president, Dzhokhar Dudayev, and a colonel in the Chechen army. He is in Copenhagen to brief Danish politicians and authorities on the situation in Chechnya. At the same time he has applied for a residence permit, so that he can open a Chechen information office in Denmark.

Choice of Denmark

POLITIKEN asked him why Denmark in particular had been chosen.

"We already have information offices in Poland and Lithuania, but they are not totally effective. For example, Russia has tried to put political and economic pressure on Poland because of our information office there and Lithuania, as you know, has special problems in relation to Russia. We therefore decided to expand our information activities. President Dudayev and the Chechen parliament chose me to set up an office in Western Europe," Usman Fersauli said.

"When I chose Denmark, it was for several reasons. Partly because several Danish experts have been involved in attempts to find a peaceful solution to the conflict, and partly because there are Danes in the humanitarian organizations which are working most effectively in Chechnya. And finally I would like to emphasize that Denmark in particular has been one of the countries which have played a role in the world's understanding of the Russian-Chechen conflict."

[Faurby] What will the information office do?

[Fersauli] First and foremost it will provide truthful information about the situation in Chechnya - that is, information that is not filtered by the Russian authorities. Even though there are many people who do not want to believe it, there is still censorship in Russia. And the office will make sure that Danish popular organizations, the Danish parliament, and the Danish Government will be kept informed. We would also like to ensure that the Council of Europe and the European Parliament are better informed.

Peace Mission

[Fersauli] It is important for us that ordinary Danish citizens are given a better knowledge of the Chechen

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people and their way of life, which is completely different from the picture presented by the Russian mass media. Ultimately my stay here in Denmark can be seen as a peace mission.

[Faurby] What is the current situation in Chechnya?

[Fersauli] According to our calculations, the war has now cost close to 100,000 human lives. These are primarily women, children, the elderly, and invalids. About half a million people are without housing or the most basic necessities of life. Three-quarters of all housing has been destroyed, and practically speaking there are no factories functioning. Our economic base has been destroyed. But at the same time the fighting is continuing and refugees are again pouring out of Chechnya. A large part of the male population is armed and will continue to resist the Russian occupation. They will fight until the Russian armed forces withdraw.

On the Russian side the situation remains the same. Russian forces have blockaded towns and villages which they attack at random. Russian soldiers plunder and carry out violent crimes against civilians without any legal repercussions. Chechen men and boys from the age of 15 up are often detained at so-called 'filtration points,' which are actually concentration camps. It is question of genocide of the Chechen people.

Human Shield

[Faurby] Western organizations — including the Council of Europe — have criticized Chechen soldiers for using the civilian population as a shield.

[Fersauli] This is an important issue which I would very much like to address. Each time the Russian Air Force attacks a town or village, the justification is that it is a hiding place for Dudayev's men. This is unfounded. We are not as stupid as the Russians try to make us look.

It is the sons of the people, boys and young men, who are fighting in Chechnya. They fight because the Russian forces have destroyed their homes and killed their families and relatives. Would young men like these hide behind women and children? Any Chechen male would consider it a disgrace to hide behind civilians.

[Faurby] It has often been claimed that the Chechens are making excessive demands and are not willing to find a peaceful solution to the conflict.

[Fersauli] Yes, I know that, but it is not true. We welcome all peace proposals, if only they were implemented.

Let us go back to the summer of 1995, for example. What Shamil Basayev did (the hostage-taking at the hospital in the South Russian town of Budennovsk — POLITIKEN editor's note) was an attempt to make the world recognize our problem and get the Russians to the negotiating table.

In the West people had a rather one-sided view of our problem. We were labelled as terrorists, but we could not just sit at home and watch passively while we were being bombed. The action in Budennovsk was revenge after more than six months of war. The aim was partly to show the Russians that we could answer back, and partly to put our problem on the international agenda.

Absurd Allegations

[Fersauli] After Budennovsk the world understood that it was necessary to have negotiations. And that the negotiations that started were very productive. They led to an agreement on military questions which President Dudayev signed after certain linguistic corrections.

But when the Russian leadership discovered that the agreement was formulated as an agreement between two warring parties — that is, between two states — Moscow was not interested in putting it into effect. Nor was there any movement in the political talks on the status of Chechnya.

[Faurby] What do you think of President Boris Yeltsin's peace proposal of 31 March this year?

[Fersauli] On both 1 and 4 April Russian planes bombed the country town of Salashi. The Russians have said that it was not Russian planes that did the bombing, but that is absurd! [Fersauli ends]

Prefers Yeltsin

The course of events shows that the Russian armed forces are not under the control of their supreme commander — that is, Yeltsin. And when former Defense Minister Pavel Grachev was summoned to a meeting in the Duma at the end of April and asked why the armed forces were not following the supreme commander's orders, he left the room and slammed the door.

[Faurby] A statement has been attributed to President Dudayev to the effect that he hoped that communist candidate Gennadiy Zyuganov would win the presidential election.

[Fersauli] That is not true. We Chechens want neither a communist nor (nationalist — POLITIKEN editor's note) Vladimir Zhirinovskiy in power in Russia. The 73 years under Communism were hell. Our experience has shown us that we cannot expect anything good from the communists. They have an imperialist attitude.

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[Faurby] Does that mean that you hope Yeltsin will win the presidential election?

[Fersauli] Yes! Because Yeltsin is predictable to a certain degree. But we believe that he is badly informed about what is really happening in Chechnya.

[Faurby] But after the election will there be pressure on Yeltsin to end the war?

[Fersauli] I think that the pressure will be even greater after the election. And in other places we have seen that a reelected head of state is able to make changes. We believe that after the election and under the impression of the attitude of the world community Yeltsin will put foreward more reasonable proposals for a resolution to the conflict.

West Must Become Involved

[Fersauli] However it is vitally important that the West should become more actively involved in resolving the conflict. Yeltsin has proposed the Tartarstan President Mintimer Shaymiyev or Kazakh President Nursultan Nazarbayev as mediator.

We are against that. Politicians from the CIS or the Russian Federation are much too dependent on Moscow. We want a Western mediator who will be in a position to effectively monitor the agreements which must be netered into between Russia and Chechnya.

We also very much hope that the Council of Europe, now that it has admitted Russia, will play a more active role. Russia has made a whole series of commitments to the Council of Europe. It is vitally important that the European Council holds Russia to the promises the country has made.

[Faurby] What have you got out of your talks with Danish politicians and officials?

[Fersauli] I have met with great understanding for my mission and sympathy for the Chechen people. I have also been urged to establish contact with the Council of Europe committee which has been set up to follow the situation in Chechnya.

At the human level I have been impressed by Danish politicians' seriousness and their desire to understand the situation in Chechnya. I am convinced that Danish politicians will not be satisfied until a peaceful resolution to the conflict has been found.

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Political Issues

Russia: Yeltsin, Security Council Discuss Strategic Stability

LD2205103096 Moscow INTERFAX in English 1023 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian President Boris Yeltsin Wednesday met with members of the Russian Security Council to discuss problems of strategic stability.

Chief of the General Staff Mikhail Kolesnikov presented a report on the START-I and START-II disarmament treaties, the presidential press service reports.

Russia: Yeltsin Urges North To Strengthen Ties With Other Regions

LD2205090596 Moscow INTERFAX in English 0830 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — Russian President Boris Yeltsin intends to urge the residents of Russia's North to strengthen their ties with other regions to ensure the country's integrity and accelerate democratic and market reform.

In his televised address to the residents of the Arkhangelsk region and the Republic of Komi on Wednesday, Yeltsin will inform them of measures he and his government are taking to solve the problems facing the sea ports, shipyards, coal miners, fishermen, oil workers and wood industry workers in the area.

The president, who will set off on a tour of the region on Thursday, will also touch upon the social and economic development of the Far North and problems hampering defense conversion and cooperation with other regions of the country, as well as the alarming ecological situation and difficulties confronting the coal industry.

Russia: Yeltsin Relations With Lukashenka Said Deteriorating

MM2105142096 Moscow IZVESTIYA in Russian 21 May 96 p 1

["Rapid Analysis" article by Maksim Yusin: "Lukashenka Keeps in Step. But With Whom?"]

[FBIS Translated Text] Relations between the Russian and Belarusian presidents, which only recently appeared almost ideal, have suddenly deteriorated.

At the Moscow CIS summit at the end of last week Alyaksandr Lukashenka was the only Commonwealth leader who did not offer his support for Boris Yeltsin in the election race. Both at the plenary session on Friday and in conversation with Nikolay Svanidze on the "Zerkalo" program, the Belarusian leader was at pains to avoid answering the question who he wanted to see leading Russia over the next four years. On returning to Minsk, Alyaksandr Ryhoravich Lukashenka, when interviewed by the local media, admitted that he intends to campaign neither for Yeltsin, nor for Zyuganov, nor for Zhirinovskiy.

Having been lumped together with his implacable opponents, the Russian president launched a retaliatory strike. Barely had a day passed when Yeltsin, at a meeting with the people of Omsk, came out with some unusually strong criticism of Lukashenka (we are citing INTERFAX): "I am concerned about the situation in Belarus. People have taken to the streets.... Why did they jail around 40 people? I talked with President Lukashenka about it.... Democracy is democracy."

Russian officials have not been particularly voluble in the international arena in defense of human rights of late. It is all the more surprising that Yeltsin should have supported those who participated in the 26 April demonstrations, which were not only anti-Lukashenka, but distinctly anti-Russian.

Why did Lukashenka behave so rashly, in effect provoking a conflict? Clearly because Alyaksandr Ryhoravich essentially remains a politician who is much closer to Zyuganov and Zhirinovskiy than to Yeltsin. And he was elected president precisely because he promised to restore the USSR. While Yeltsin, in the eyes of Lukashenka's supporters, who are nostalgic about the Soviet Union, will always be the man responsible for its disintegration.

Neither the conclusion of the treaty on a Russian-Belarusian community, nor the embraces in front of the television cameras made Alyaksandr Lukashenka a true ally of the Kremlin leader. The two presidents' fundamental incompatibility was bound to show at the critical moment.

Russia: Zaveryukha Says Federation Council To Block Duma Land Law

LD2205114596 Moscow INTERFAX in English 1128 GMT 22 May 96

[FBIS Transcribed Text] SARANSK (MORDOVIA REPUBLIC), May 22 (Interfax) — The Land Law adopted by the Russian Duma, the lower house of parliament, will not be approved by the Federation Council, Russia's upper house, or by the president, Deputy Prime Minister Aleksandr Zaveryukha, responsible for agricultural issues, told Interfax Wednesday.

Private ownership of land was assured by the Russian Constitution of 1990 and the 1993 referendum, he said.

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"The institution of private land ownership has already been established in Russia, as 12 million people have become landowners of 132 million hectares over the course of privatization," Zaveryukha said.

"The Duma will not be able to stunt land reform with their land law," he said.

There are already 280,000 farms owning 12 million hectares in Russia, Chairman of the Committee on Land Resources and Land Tenure Regulations Nikolay Komov told Interfax, agreeing that land reform was irreversible.

"Land reform has gone through its most difficult phase over the past five years," he said, "and now no political party will be able to take this land from the people."

Zaveryukha, arrived today in the capital of the internal republic of Mordovia, visited the Pivovar company, a candy factory, and was shown an exhibit of the republic's economic achievements.

Russia: Arrest of Sports Foundation Head Could Be 'True Scandal'

LD2105195796 Moscow NTV in Russian 1800 GMT 21 May 96

[Video report by Correspondent Marianna Maksimovskaya; from the "Segodnya" newscast]

[FBIS Translated Text] Boris Fedorov, president of the National Sports Foundation [NFS], was arrested by the regional RUOP [District Directorate for the fight against Organized Crime] on 20 May at his dacha. Drugs were found in the house and this became the formal basis for his arrest; although, the Fedorov affair, if it goes court, may turn out to be much noisier and scandalous than a mere drugs case.

Boris Fedorov was considered a very influential person. He started out in the Komsomol [Young Communist League], then went into commerce, and finally the sport trade, but Fedorov's chief success and trump was considered to be his closeness to Shamil Tarpishchev [as heard], the sport and physical education minister of the Russian Federation. Tarpishchev and Fedorov set up the National Sports Foundation together and Fedorov became the second president of the NFS after Tarpishchev.

Quite recently, the NFS bought up the Olbi company and National Credit Bank so Fedorov, in effect, headed these bodies too. The working offices of Tarpishchev and Fedorov are in the Kremlin and it was Shamil Tarpishchev who managed to obtain for the NFS a national monopoly over the tax-free import of spirits and tobacco into Russia. It was believed that these tax breaks — and hundreds of millions of dollars were at stake — would improve the financial situation of Russian sport.

[Begin Fedorov recording, in archive interview] Having begun the reform of Russian sport along with Tarpishchev, we are constantly trying to prove that sport can finance itself. [end recording]

There were also opponents to the initiative, some of whom were in the government. They claimed that the millions obtained were not reaching sportsmen at all and, as a result, the NFS very recently lost the monopoly. It is not yet known whether or not Boris Fedorov's arrest is linked to the activities of the NFS, but if it is the case then the affair may prove a true scandal. [video shows archive of Fedorov at social events]

Russia: Government Takes Measures To Increase State Revenues

LD2205103196 Moscow INTERFAX in English 0755 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (Interfax) — The Russian Government has drafted measures to increase state revenues.

The government will concentrate on work to normalize the economic position of debtor-enterprises, to regulate the mechanisms of payments by using state support and credits of commercial banks against Finance Ministry guarantees and resorting to other efficient forms of payments, First Deputy Prime Minister Vladimir Kadannikov told Interfax.

Secondly, state subsidies and tax credits will be extended to enterprises only to back specific highly-profitable projects. "The accounting mechanism will be tightened and new forms of taxing introduced," said Kadannikov.

Thirdly, control will be tightened over tax collection and observance of the tax laws. "We are pinning great hopes on the two resolutions recently adopted by the government, which provide for toughening the criteria of granting payment deferment, and limiting and, beginning January 1, 1997, ending completely the non-cash forms of tax payments," he said, referring to commodity credits and the practice of freeing individual enterprises from taxes or writing them off.

Finally, urgent measures will be taken to normalize cash circulation and intensify tax control over barter operations and major transactions involving expensive property and over foreign-trade operations, said Kadannikov.

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Russia: Government Ready To Compromise With Tax Defaulters

MK2105122896 Moscow SEGODNYA in Russian 21 May 96 p 2

[SEGODNYA report: "The Finance Ministry Will Not Use Commercial Credits To Fund 'Power Agencies' in May. The Government Is Contemplating Options for a Compromise With Tax Defaulters"]

[FBIS Translated Text] The Russian Federation Finance Ministry is not going to draw credit resources from commercial banks for the funding of budgetary spending on power agencies under Government guarantees, the ministry's press service reported yesterday. The press release emphasizes that this May the funding of the budget deficit "will be effected in accordance with the Law of the 1996 Federal Budget and the monetary program of the Government and the Bank of Russia only by borrowing funds, within established limits, from the market of state securities." Bella Zlatkis, head of the Securities and Financial Market Department, has told the Financial Information Agency that "the Finance Ministry has considered the proposal that money of some banks be attracted for the funding of current expenditures, but has declined it." Ms. Zlatkis said that the Finance Ministry, on the whole, was satisfied with the receipt of funds from the state bond market (GKO-OFZ) [state short-term bonds, federal loan bonds]. "Despite the fact that the volume of funds to be channeled for the redemption of short-term state bonds in May will be approximately twice as low as in March-April, we are not going to broaden the expansion on the state securities marker in the near future," Bella Zlatkis emphasized. According to BUSINESS-TASS, the finance minister's statement was prompted by the rumor on the financial market that credits of commercial banks can be used in May for the funding of budgetary expenditures on power agencies under Government guarantees.

Meanwhile, the Government continues to consider optional ways to overcome the tax collection crisis, that has led to a virtual failure of the revenue part of the budget in the first quarter. A source at the Government has told INTERFAX that new measures to improve tax collection can include partial tax amnesty. In his words, in the near future a number of governmental decrees and presidential edicts can be issued, whereby tax liabilities of enterprises can partly be pardoned or restructured in exchange for their reciprocal commitments. "These decisions are based on the policy of carrot and stick," the source said. In his words, the Government "is now unable to use only the stick," since the financial state of many enterprises does not permit them to pay all of their debts at once. According to the source, the draft decrees and edicts, that have already been prepared and partially endorsed, are to provide the basis for a compromise between the financial authorities and taxpayers. As a result, agreements of some kind can be concluded, whereby a certain proportion of taxes will be paid and some debts can be deferred or pardoned, he said. The idea of tax exemptions in exchange for an improvement in payment discipline, however, has not been hailed by the State Duma Budget Committee, whose chairman, Mikhail Zadornov, noted last week that the state was unable "to perform one its main functions: collect taxes."

Military & Nuclear Issues

Russia: Grachev Misses Norway Meeting, Visits Siberia Instead

MK2105140596 Moscow SEGODNYA in Russian 21 May 96 p 2

[Report by Yuriy Golotyuk: "Russia Is Absent From the Meeting of Nordic Defense Ministers. Instead of a Trip to the West, Pavel Grachev Has Gone East"]

[FBIS Translated Text] Yesterday, a two-day meeting of defense ministers of the North European countries, with the participation of heads of military agencies of Norway, Sweden, Denmark, and Finland, opened in Nyvagar on the Lofoten Islands in Norway. Russian Federation Defense Minister Pavel Grachev did not attend the meeting, although he was also invited since, among the problems on the agenda, were the prospects for the development of relations between the Nordic countries and Russia.

Yelena Agapova, an aide to the Russian Federation defense minister, told your SEGODNYA correspondent that Mr. Grachev's absence from the meeting in Norway was due to "the extremely busy schedule of the minister." Instead of the journey to the West, Mr. Grachev had to go on a business trip to the East — the Urals and the Siberian military districts. According to Ms. Agapova, the Norwegian side was informed about this in advance: The military agencies of Russia and Norway exchanged official messages and agreed to adjourn the meeting of ministers "to a later date."

It was planned earlier that, after the meeting on the Lofoten Islands, Norwegian Defense Minister Jorgen Kosmo, accompanied by Pavel Grachev, would go to the Kola Peninsula to visit the Andreyev Fjord where discarded nuclear submarines of the Russian Northern Fleet are being stationed. The Norwegian side has more than once expressed its anxiety about the safety of the radioactive waste on the Kola Peninsula, emphasizing a special concern over the nuclear submarines, which

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are past their service life. Since, however, Mr. Grachev did not arrive to attend this meeting, Mr. Kosmo's visit to the Andreyev Fjord will not take place either, or, at least, will be adjourned until a future meeting with the Russian Federation defense minister.

Russia: Edicts on Professional Army 'Revolutionary'

MM2105140896 Moscow ROSSIYSKIYE VESTI in Russian 21 May 96 p 1

[Commentary by Pavel Anokhin and Olga Burkaleva: "The First Document in Military Reform Is the Contract. From the Year 2000 the Army Will Become Professional. An Edict Has Been Adopted That Will Change Not Only the Armed Forces but Society as Well, and Will Affect the Futures of Hundreds of Thousands of Young Men"]

[FBIS Translated Text] On 16 May Russian President Boris Yeltsin signed edicts that inaugurated radical military reforms in the country. One of them prescribes the abolition of compulsory military service by 2000 and the formation of the Russian Armed Forces on a professional basis. The other ordains that henceforth only draftees who voluntarily sign appropriate contracts will take part in combat operations. (The contents of these edicts can be found in ROSSIYSKIYE VESTI No. 91, 18 May 1996).

These important decisions make revolutionary changes not so much to the lives of servicemen as to Russian society as a whole. Suffice to say that compulsory military service was introduced by Peter I, 300 years ago. And not until three centuries after the Petrine reforms, in this era of democratic reforms, is society to be given a new degree of freedom that will change the lives of hundreds of thousands of young men. In the future, as is the case in all civilized countries, service in the Army will be not a duty but a profession. These changes require both major transformations within the structure of the Armed Forces and the system of selecting and training military cadres and major improvement in the efficiency of the state's funding system. Suffice to note that today we spend one-seventeenth of what the United States spends on the training, maintenance, and support of our soldiers. The professional soldier will cost the state four- to five times as much. Transferring the Army to a professional basis will require the solution of the housing problem and the creation of a decent welfare infrastructure. According to expert estimates, implementation of the military edicts will require a five- to tenfold increase in the military budget by 2000.

Commenting on Boris Yeltsin's decision to switch to a professional army, Nikolay Yegorov, chief of the Russian Federation Presidential Staff, stressed that the head of state has seriously analyzed all the considerations, above all the financial aspect. He said that from next year measures promoting the recruitment of citizens for contract-based service will receive priority funding. In Nikolay Yegorov's words, the Army funding mechanism will itself be changed in the near future. The Armed Forces will in the future be funded not through commercial banks, which led to lengthy delays in the issue of pay, but through a department of the Savings Bank or the Central Bank. This will prevent the theft of money destined for the military.

What is the military department's reaction to Boris Yeltsin's edicts? Defense Minister Army General Pavel Grachev stated that the military do not discuss orders but carry them out. "On the publication of these edicts the Ministry of Defense began working on how to fulfill them as quickly and as efficiently as possible," he stressed. In his words, both edicts are timely and necessary for the Army.

The military minister's viewpoint is entirely clear-cut and definite — which cannot be set of many deputies, who found themselves clearly unprepared to implement in practice measures that they themselves have continually called for. Thus one deputy, General Valentin Varennikov, believes that contract-based service is not necessary at the present time. State Duma Chairman Gennadiy Seleznev fears that all those who are not serving under contract will rush to leave the Army, demanding immediate demobilization. But after all, both these men campaigned vigorously for qualitative changes in the Armed Forces! However, the Communists, and it was they above all who refused to support the president's edicts on military reform, have always been distinguished by the desire to transform the entire country into a military camp.

Denying Communist claims about the populist nature of these decisions, the Russian government has already begun implementing the head of state's edicts. Russian Prime Minister Victor Chernomyrdin has held a conference with leaders of the power departments devoted to organizing fulfillment of the president's edict on the procedures for sending conscripts to armed conflict zones.

A range of priority measures aimed at fulfilling the president's edict "On Transition to Recruiting Enlisted Men and NCO's on a Professional Basis" were also examined. The government chairman ordered that all the necessary documents should be prepared as quickly as possible.

Vyacheslav Tikhomirov, commander of the federal forces in Chechnya, said that, in fulfillment of the president's edict, conscripts will no longer be sent to

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Chechnya, but that those who are already there "will sign contracts in the near future and will continue to serve, but on a contract basis." In his words, servicemen "do not want to leave Chechnya, because there they can see the concrete result of their labors."

Russia: Defense Enterprises League Chief Interviewed

MM2105122896 Moscow PRAVDA in Russian 18 May 96 p 2

[Interview with A.N. Shulunov, president of the League of Defense Enterprises, by Igor Saltykov; place and date not given: "Don't Die Out, Arms Manufacturers!"]

[FBIS Translated Text] "The defense industry is close to death! It is being stifled with starvation through inactivity!" We have had not to report but to shout this from the pages of PRAVDA in March and April. And now finally 8 May — on the eve of Victory Day — the president has through an edict instructed the government to pay all state debts to weapons enterprises for 1994-1996. And even to take steps "to prevent their destruction" in 1997.

First aid is already on it way. Will it be in time to save it? Or, god forbid, will it be taken away for the funeral service? Aleksey Nikolayevich Shulunov, president of the League of Defense Enterprises, comments on the situation:

[Shulunov] First of all let us note those who engaged in preparing this rare state document: Zinoviy Pak, the new minister of the new defense industry; Andrey Kokoshin, first deputy defense minister; Aleksandr Livshits, the president's aide. The acute nature of the problems they are resolving is extremely serious. But it is not out of the question that everything will turn into searching for trump cards for the forthcoming campaign. The threat that the directives will not be fulfilled remains real.

[Saltykov] But are there grounds for such suppositions?

[Shulunov] Unfortunately, yes. If things had been judged sensibly there would have been no need for the edict at all, if the state budgets for 1994-1996 had been fulfilled steadily. But we have already been convinced on many occasions that whatever decisions the president or State Duma may take, we live completely differently and life dictates its own laws to us. And extraordinary problems are accumulating.

The edict provides for a revision for 1997 of the earmarking of equal quarterly shares for conversion programs and the prompt advance of the planned defense expenditure before the new year. But the decisions are, after all, mainly of an administrative nature, that is they are trying to "put the procedure in order." No special economic favors are envisaged.

[Saltykov] Aleksey Nikolayevich, how much in debts, in trillions of rubles, should be returned to the defense industry manufacturers? In March there was mention of 7 trillion rubles [R].

[Shulunov] Of that R7 trillion so far R1.5 trillion has not been returned. But arrears over the first four months of this year, according to our estimates, had by the time of publication grown and reached about R10 trillion, so that as a whole the figure is about R12 trillion.

Scientific and design organizations have found themselves in the gravest position. In terms of the volume and timescale of nonpayments they have been reduced to mass, constant hunger. It cannot be said that we waited for manna to descend from heaven. We are looking for any methods of conducting even elementary financing. After all, the most precious thing is the reserve of thought and talent.

On individual salients we are nonetheless managing to develop new systems. But of course on a front far less broad than four or five years ago. After all, all our cooperative movements, all our ties are collapsing! You can calculate it for yourself. This unique edict calculates everything according to years and quarters. But now every days brings us a substantial contribution to collapse and destruction — not every month or week but every day!

The economy, despite the upper echelons' sworn assurances, is not stabilizing but is continuing to decline. And the greatest damage is to us. Here are the figures for that first quarter. Production in the defense industry declined 25 percent. The production of television sets declined 30 percent compared with last year and the production of video recorders 16 percent. We have come close to closing these production facilities....

[Saltykov] Is the number of jobs being reduced?

[Shulunov] By a colossal amount. Officially the number has declined 15 percent. And if you consider concealed unemployment and other labor losses then the figure is at least 40 percent.

[Saltykov] But if the edict is executed then it will become possible to increase employment and the level of wages?

[Shulunov] Our expenditure includes three main components: materials and subassemblies, overheads, and then wages. The first two items however much you save grow and grow as they are doing throughout the state. If wages were to rise as steadily then we would not simply

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be uncompetitive but no one would buy anything from us. Even the state would not buy weapons.

[Saltykov] There were two edicts. The second turned the State Committee into the Ministry of the Defense Industry. Will this step bring any further financial rights?

[Shulunov] I think it will. Particularly if you consider that they are not giving now but taking from us. Here you must clearly analyze the trend: Is a real, normal turn in the sphere of the defense industry really not coming? An understanding of its role not only from the viewpoint of the country's military defense but also from the viewpoint of economic and social security. I hope that this understanding will awaken and start to predominate.

Russia: General Staff Officer Cited on Ending Conscription, Timing

MM2005144196 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 May 96 p 1

[Report by Aleksandr Khokhlov: "Is Our Army the Most Unfortunate in the World?"]

[FBIS Translated Text] President Yeltsin has issued two "army" edicts. One prescribes that only volunteers will serve in the "hot spots."

The second — revolutionary — edict says that our Army is to be fully professional: From 2000 onward, the Armed Forces and other troops (belonging to the Ministry of Internal Affairs, the Federal Government Communications and Information Agency, the Federal Security Service, Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters, and so forth) will be staffed by privates and sergeants on the basis of the voluntary hiring of citizens for military service under contract. The draft will be abolished at the same time.

But where are the volunteers to come from? There are many orphanages in Russia, of course, but not enough to staff an army of even half a million. And mothers nowadays are not burning with a desire to send their sons off to serve the state. Nor is this likely to change.

Question number two is this: Where is the money to come from to meet the cost of pay, housing, and everything else that professional soldiers need? Even in the year 2000?

A colonel from the General Staff gave a curt answer to all these questions:

Indeed. Well, we will sit down and resolve all these questions right away. At a stroke and without ambiguity. Especially since there is a month left before the elections.

Russia: Chemical Weapons Reserves Exceed 40,000 Tonnes

LD2105142296 Moscow INTERFAX in English 1242 GMT 21 May 96

[FBIS Transcribed Text] MOSCOW, May 21 (Interfax) — Reserves of chemical weapons in Russia exceed 40,000 tonnes as of today, Chairman of the Duma Ecology Committee Tamara Zlotnikova (Yabloko faction) said at parliamentary hearings Tuesday.

Russia possesses one of the largest reserves of chemical arms in the world, which is why the task on its safe destruction should be solved on three levels, international, federal and regional.

In particular, the reserves of blister gas in Russia have reached 7,500 tonnes, according to Zlotnikova. It must be destroyed as soon as possible, she believes.

Destruction of chemical arms with gas containing phosphorus, their reserves amounting to 32,500 tonnes, should be carried out at the second stage.

Participants of the hearings pointed out that financing of chemical disarmament was implemented only by one-third during the last two years. No financial assets have been allocated this year at all. There is no system of state control to observe environment protection norms while destroying poisonous substances.

Russia: Grachev Says Russia To Focus on Nuclear Deterrence

LD2205111596 Moscow ITAR-TASS in English 1059 GMT 22 May 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] YEKATERINBURG May 22 (Itar-Tass) — Russia will pay most attention to its strategic nuclear forces in the future army reform, according to Defence minister Pavel Grachev.

"The priority will be given to a guaranteed nuclear deterrence by a rational composition of the strategic nuclear forces", he told army officers of the Ural military district in the city of Yekaterinburg on Wednesday.

Grachev said the strength of the Army and Navy had been reduced by over one million men since 1992 and that "the work to optimise the personnel strength of the armed forces will be continued".

The army is already switching to the mixed system of obligatory conscription and contracted service and will

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finally end obligatory conscription in the year 2000 as it has been ordered by the Russian president, according to Grachev.

The minister promised "improvement of the structure of the armed forces, arming of the troops with modern weapons and hardware and command systems".

"The plan of the construction of the Russian armed forces in 1992-1995, in the volume supported by finances and materiel provision, has been fulfilled", Grachev said and explained that some military districts had been turned into border ones and that the command systems, which collapsed together with the former Soviet Union, had been restored.

Housing is still being constructed for the troops which had been withdrawn from eight foreign countries, according to the minister, who promised that social protection of the military would continue.

Federal Assembly

Russia: Duma Passes Law on Procedure for New President

LD2205102596 Moscow INTERFAX in English 1013 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTERFAX) — The Russian State Duma passed on Wednesday the second reading of a law establishing the procedure for a new president to take office.

A total of 364 deputies voted in favor of the law, two voted against and one abstained. Under the law, the outgoing president has to inform the president-elect during a one-month transitional period of all decisions concerning the introduction of a state of emergency or martial law, as well as the use of the armed forces.

The outgoing president and the president-elect have to reach an official agreement over the transitional period, which will allow the newly elected president to attend the meetings of the Security Council, both houses of parliament and other federal agencies without interfering in the work of his predecessor.

The newly elected president takes office on the 30th day after the announcement of the election results.

The Duma held a separate vote to preserve the provisions requiring the newly elected president to terminate or suspend his membership in a political party or public movement for the duration of his term. The motion was supported by 327 deputies.

The law also says that the government has to resign immediately after a new president takes office. The latter will then appoint an acting prime minister who will have to be approved by the Duma. The outgoing government continues to perform its functions until a new government is formed. Its composition, proposed by the newly appointed prime minister, has to be approved by the president.

Oleg Mironov of the Communist Party, a member of the Duma Committee for Legislation, said the concept of the law had been approved by President Boris Yeltsin and taken into account his recommendations.

Russia: State Duma Approves Land Code

LD2205092696 Moscow INTERFAX in English 0849 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTERFAX) — The Russian State Duma has approved the Land Code. Some 288 deputies voted for the Code at a Duma plenary meeting Wednesday. Sixteen voted against and six abstained. The Code provides for "private property of individuals and legal entities on land lots obtained in privatization of state or municipal lands, heritage, sale, donation, exchange or other land deals, as well as investment in the charter (share) capital of a legal entity."

The law ensures the right to lifetime inherited ownership of a land lot.

Under the document, land lots may become the property of individuals free of charge under regional laws for individual housing construction and subsidiary holdings (for countryside residents), as well as property of members of dacha cooperative societies (valid for land lots assigned before January 1, 1992).

Under the Land Code, stateless persons, foreign citizens, legal entities and states have the right to rent land lots.

The law introduces the right to rent a land lot, the norms for assignment of a land lot, and peculiarities of privatized enterprises' reception of the right to land lots.

Russia: Renationalization Seen as Key Element of Communist Program

MK2205110096 Moscow KOMMERSANT-DAILY in Russian 21 May 96 p 2

[Report by Boris Boyko: "The Discussion Was Accompanied by Sensations"]

[FBIS Translated Text] "Out of the many acute questions, the issue of privatization comes second, after the living standards" — thus Pavel Bunich, chairman of the Duma Property Committee, opened a parliamentary hearing on principles and prospects of privatization in

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Russia yesterday. It transpired in the course of the debate that the prospects are not at all bad. Yet a real sensation was not the participants' conclusion that privatized enterprises perform better than others and not even the interim results of the activity by the Commission on the Appraisal of Privatization, but that the discussion exposed the position of the leftist forces, which they have been so carefully hiding during the election campaign.

"We cannot do without a forced return of enterprises into state ownership," Vladimir Sergeyenkov, representative of the leftist bloc and member of the Privatization Committee, stated bluntly. After dwelling on the worn-out subject that privatization should have preceded liberalization, he proposed that in the future all the existing state stakes be secured by the state forever, returning some of the more efficient enterprises into state ownership. Although it was not the main statement at the hearings, the idea itself could not have been ignored, because every day leftist leader Zyuganov is presenting a different point of view: According to him only inefficient enterprises should be nationalized.

It is noteworthy that participants in the hearings, including numerous experts, treated that statement as an exception and did not enter into polemics with Sergeyenkov. The participants, responding to Pavel Bunich's appeal to "forget about the past and criticism," were looking for an answer to the question: "What is to be done next?," suggesting many constructive ideas, including on changes in the outdated privatization law. It so happened that some provisions of the new privatization program, prepared by the Government, contravene the law, and the Property Committee decided to revise the obsolete law. The gist of the proposed changes is as follows: To ban privileges to workers collectives, which, according to Bunich, "turn into privileges for the management", and to abolish the "noncontrolling" state blocks of shares (less than 25 percent), because they make the state dependent on the owner of the controlling share in an enterprise. Likewise, according to Bunich, it is necessary to allow not only the Government but also parliament to impose bans on privatization. Bunich described that proposal as "a consequence from the period when the mafia reached the Government." Furthermore, it was proposed that the mechanism of loans-for-shares auctions be "corrected," revising the property evaluation methods and allowing only investment-type banks to take part in such auctions.

The session, for the first time, heard interim results of the activity by a parliamentary commission with a pretentious name: [the Commission] for the Analysis of the Results of Privatization and the Responsibility of Officials for its Negative Consequences. Bunich said that an "audit" of privatization contracts showed "criminal mistakes," which also can be rectified legislatively. In particular it established violations in the order of the payment of shares into authorized capital, while half of the investments pledged by the new owners has not been made; there is no income declaration in the acquisition of enterprises; oftentimes when businesses were sold their book value was deliberately depreciated; joint-stock companies have been violating the shareholders' rights; while the companies themselves are in a constant process of reorganization and creation of "big and small subsidiaries," which are used for tax evasion. "Such practices are not uncommon also at state enterprises," Bunich said. Representatives of regional property funds present at the hearings confirmed that and indicated that this was one reason for the shortfall in budget revenues.

It is noteworthy that the keynote of the hearings was the point that privatization in Russia has, on the whole, yielded more positive results than negative. Bunich attributed the absence of "dramatic" achievements to the general negative economic backdrop, the dispersal of shareholders' capital resulting from exemptions to working collectives, the profiteering-driven initial stage, and an investment lag. He described as sensational facts about the enterprises' performance. It turns out that "deeply privatized enterprises" operate 1.5-2 times better than others. The worst performers are "under-privatized enterprises," which, by all accounts, still constitute the majority in Russia.

Russia: Legislative, Regulatory Documents 12-18 May

96P50083A

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Government 3 April Directive No. 385 On Closure Of Vorkutaugol's Yun-Yaga And Yuzhnaya Mines. (Moscow ROSSIYSKAYA GAZETA in Russian IS May 96 p 6) (200)

RF Government 3 April Directive No. 532 On Establishment Of Commission On Reorganization Of Vneshekonombank. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8) (80) (Text)

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Government 12 April Decree No. 417 Transforming 'Sheremetyevo International Airport' State Company Into Open-Type Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 5) (300)

Government 12 April Decree No. 443 Submitting Agreement On Commodity Turnover And Production Sharing In Machine Building For Duma's Ratification, Appointing Deputy Chairman Of Machine Building Committee Sochilin Government Spokesman. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (200)

Government 12 April Directive No. 416 Submitting For President's Consideration Draft Edict On State Support For Yekaterinburg's Koltsovo Airport. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (200)

Government 15 April Decree No. 434 Introducing Amendments And Additions To Earlier Government Decisions On Servicemen's Pensions. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (1600)

RF Government 15 April Decree No. 465 On Measures To Organize The Vacationing, Recuperation, And Employment Of Children In 1996. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (1200)

Government 15 April Decree No. 475 On Procedure For Registering Real Estate Ownership, With Associated Statute And Pro Forma Instructions. (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 8) (1600)

Government 15 April Decree No. 480 Approving Federal Targeted Program For Economic And Social Development Of Far East And Transbaykal Region In 1996-2005. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (600)

Government 15 April Directive No. 475 Approving Statute On Land Registry And Deals With Real Estate. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (100)

Government 15 April Directive No. 607 On Ensuring Russian Interests In Council Of The Barents And Euroartic Region. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8) (100) (Text)

Yeltsin 22 April Edict No. 581 On Creation Of Rossiyskiy Kinopokaz Joint- Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (250)

RF Government 23 April Decree No. 513 On Measures For State Regulation Of And State Support For Civil Aviation In Russian Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 4) (1600)

Government 23 April Decree No. 521 Assigning Various Government Departments' Tasks Concerning The Elaboration Of Forecast Of Russian Federation's Socioeconomic Development And The Draft 1997 Budget. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 5) (2400)

Government 23 April Decree No. 523 On Guarantees For Small Firms Supplying State Needs. (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 8) (600)

Government 23 April Decree No. 526 Amending Statute On Discipline In Railroad Industry. (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 8) (250)

Government 23 April Directive No. 668 Allocating R8396.2 Million In Aid To Adygea To Repair Flood And Hurricane Damage Inflicted In May 1995 And January 1996. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 1) (100)

Government 23 April Directive No. 678 Appointing Goskomimushchestvo Deputy Chairman Shupyro To Represent State's Interests On Board Of Norsi-Oil Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (150)

State Duma 26 April Decree No. 316-ii On Food And Material Supplies For The Armed Forces. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (800) (Text)

Government 29 April Decree No. 529 Submitting For President's Consideration Draft Edict On Investment Tax Credits For Defense Industry Enterprises In Udmurt Republic. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (150)

Yeltsin 29 April Edict No. 608 Approving Appended State Strategy For The Russian Federation's Economic Security. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 5) (100/3000) (Text)

RF Government 1 May Decree No. 534 On Additional Incentives For Private Investment. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (1300) (Text) (964E1303)

Government 1 May Directive No. 704 On Financing And Implementing Federal Targeted Program For Utilization Of Black Sea And Sea Of Azov Natural Resources.

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(Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (250)

Yeltsin 2 May Edict No. 639 On Conveyance To Krasnoyarsk Kray Of Federally-Owned State Enterprise And Shares In Joint-Stock Companies Formed In Process Of Privatization. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (450)

Government 6 May Directive No. 718 Allocating R8.2 Billion In Aid To Volgograd Oblast To Repair Flood And Hurricane Damage Inflicted In 1995. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 1) (100)

Yeltsin 6 May Edict No. 655 On Approving Work Of Organizing Committee Of Russian Joint-Stock Company 'Russian Integration And Development Agency.' (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (200)

Chernomyrdin 8 May Decree No. 574 Approving Statute On Procedure For Export And Import Of Nuclear Materials, Equipment, Special Nonnuclear Materials, And Corresponding Technologies, Plus Statute In Question And Two Appendices. (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 9) (400/4200/450/600)

Yeltsin 8 May Directive No. 231 Giving Stern Warning To Government And RF Pension Fund Leaders For Shortcomings In Organizing Timely Payment Of Wages And Pensions. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (150) (Text)

Yeltsin 16 May Edict No. 721 'On Measures To Ensure Transition To Ruble Convertibility.' (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 1) (250) (Text)

Yeltsin 16 May Edict No. 733 'On Measures For Preliminary Compensation For Savings Bank Deposits Of Certain Categories Of Russian Federation Citizens Devalued In 1992-1995.' (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 1) (400) (Text)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

RF Government 21 March Directive No. 413 Recognizing Essential Need To Raise Loan In Switzerland Of Up To 5 Million Swiss Francs To Finance Purchase Of Metal Working Equipment For Organizing Series Production Of Prosthetic And Orthopedic Items At Energiya Corporation. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (250)

RF Government 23 March Directive No. 443 Allocating R17 Billion For Aid To Prosthetic And Orthopedic Equipment Enterprises. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (60)

Government 28 March Decree No. 363 Approving Agreement With Kyrgyzstan On Procedure And Terms For Dissemination Of Russian TV Broadcasting Organizations' Programs To Kyrgyzstan Plus Appended Agreement. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (200/800)

Government 28 March Decree No. 364 Approving Protocol On Procedure For Financing RF Group Of Border Troops On Territory Of Kyrgyzstan, Plus Appended Protocol. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (250/750)

Government 28 March Decree No. 365 Approving Agreement With Kyrgyzstan On cooperation In Development Of Aviation Equipment (Agreement Not Published). (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (150)

Government 28 March Decree No. 366 Approving Customs Union Treaty With Kyrgyzstan And Appended Treaty. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (200/800)

Government 28 March Decree No. 367 Approving Agreement With Kyrgyzstan On Restructuring Kyrgyzstan Debt To RF For State Credits Plus Appended Agreement. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (250/900)

Government 28 March Decree No. 368 Approving Electric Energy Cooperation Agreement With Kyrgyzstan And Appended Agreement. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (200/800)

Government 3 April Decree No. 371 On Partial Amendment Of RF Decree No. 487 On Cooperation With EU Commission On Questions Of Consultative-Technical Cooperation. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (150)

Government 3 April Decree No. 388 On Measures To Preserve Historical And Cultural Monuments At 'Arkhangelskoye' Estate, Moscow Oblast. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (800)

Government 3 April Decree No. 404 On Signing Agreement With Belarus On Creation Of Optico-Mechanical And Control Equipment For Superlarge Integrated Circuits (Agreement Not Published). (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (200)

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Government 12 April Decree No. 415 On Signing Vienna Convention On Civil Responsibility For Nuclear Damage. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 pp 9) (80) (Text)

Government 12 April Decree No. 419 On Conclusion Of Agreement With Ukraine On Handover Of Equipment And Munitions From Strategic Missile Complexes For Further Use By RF. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (200) (Text)

Government 12 April Decree No. 423 Approving Appended Statute On RF Government Annual Prizes For Quality. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (400/500)

Government 15 April Decree No. 472 On Confirming Norms For Frequency Of Collections From Postboxes, Conveyance, And Delivery With Appended Normative And Control Deadlines For Delivery. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (100/700/300)

Government 15 April Decree No. 477 On Temporary Suspension Of RF Trade And Economic Missions In Certain Foreign States And Transfer Of Part Of Immovable Property So Freed To RF Foreign Ministry. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (650)

Government 15 April Directive No. 617 On Holding Talks On Concluding Agreement With UN Environmental Program. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8) (60) (Text)

Government 19 April Decree No. 484 On Acts Adopted By 21st Congress Of World Postal Union In Seoul 1994. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (250)

Yeltsin 21 April Edict No. 570 On Need To Set Up Presidential Commission On Improving Taxation Legislation. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 4) (300)

Yeltsin 21 April Edict No. 571 On Changes To Presidential Council Of Judicial Reform. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 4) (300)

Yeltsin 21 April Edict No. 573 On Ex Officio Additions To Composition Of Interdepartmental Commission For Protection Of State Secrets. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (200) (Text)

Yeltsin 22 April Edict No. 578 On Awarding And Preserving Skills Categories For Federal Civil Servants Plus Appended Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 4) (450/950)

Government 23 April Decree No. 514 On State Support For St. Petersburg Application To Host 2004 Summer Olympics, Plus Lisun Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (800/600)

Government 23 April Decree No. 525 On Extension Of Term Of Appendixes To Air Transportation Agreement With U.S. By Means Of Appended (But Not Published) Draft Foreign Ministry Note To U.S. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 4) (150) (Text)

Government 23 April Directive No. 660 Expressing Approval For Initiative To Hold 'Kinotvar' Movie Festival 1-13 June In Sochi. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 6) (300)

Government 23 April Directive No. 661 On Establishment Of RF General Consulate In Simferopol And Kharkov. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8) (200)

Government 23 April Directive No. 670 On Russian Increased Contributions To EBRD. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8) (100) (Text)

Collection Of RF Government Decrees Dated Between 12 And 23 April, No. 420 On Concluding Treaties With U.S. On Textile Goods Trade; No. 427 On Signing Agreement With Moldova On Trade/Economic Cooperation In 1996/1997; No. 428 On Protocol With Moldova On Mutual Recognition Of Property Rights On Each Others Territory. No. 431 On Agreement With Bulgaria On Inventarization Of Interstate Treaties; No. 432 On Signing Agreement With France On Cooperation In Civil Defense Sphere; No. 458 On Signing Agreement With Macedonia On Cooperation In Energy, Transport, Communications, Water, and Agricultural Spheres; No. 470 On Signing Agreement With Poland On Youth Cooperation; No. 483 On Approving And Submitting For Ratification Agreement With Norway On Building Housing For Russian Servicemen Withdrawn From Baltic; No. 517 On Approving And Submitting For Ratification Agreement With Interstate Economic Committee Of Economic Union (CIS) On Conditions Relating To Presence Of Interstate Economic Committee In RF; No. 518 On Approving And Submitting for Ratification Agreement With Estonia On Cooperation In Pensions Provision; No. 429 On Concluding Agreement With Moldova On Conditions For Privatization Of Property On Each Others' States; No. 440 On Conclusion Of Agreement With Kyrgyzstan On Cooperation In Higher Education. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 7) (2600)

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RF Government 27 April Directive No. 692 Designed To Prevent Detriment Tc State Interests By Enterprises Engaged In Military-Technical Cooperation With Foreign Countries. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (300) (Text)

Yeltsin 29 April Edict No. 604 Approving Appended Statute On Competitions For Filling Federal State Service Vacancies. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 4) (400/2200)

RF Government 1 May Decree No. 535 On Additional Measures To Ensure Cooperation With European Communities. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 4) (450) (Text)

Government 2 May Edict No. 632 On Procedure For Preparing Draft Presidential Edicts And Directives Which Presuppose The Adoption Of RF Government Decrees And Directives. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6) (450)

Yeltsin 2 May Edict No. 640 Including S.V. Yermachenko (Chairman Of Krasnoyarsk Kray Legislative Assembly) On Staff Of Presidential Commission On Interaction Of Federal Organs Of State Power And Organs Of State Power Of RF Components When Carrying Out Constitutional-Legal Reform In Components Of Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (200)

Yeltsin 2 May Edict No. 642 On Measures To Develop RF Justice Organs. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (750)

Yeltsin 2 May Edict No. 645 Approving Statute On RF President's Press Service Plus Appended Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (150/1400)

Yeltsin 6 May Edict No. 649 Introducing Additions To Earlier Edict On Jubilee Medal '300th Anniversary Of The Russian Fleet', Plus Artemenko Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 5) (150/500) Yeltsin 6 May Edict No. 653 On Federal Targeted Comprehensive Program For Creating Communications, TV And Radio Systems Using Primarily Russian-Made Equipment. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (200)

Yeltsin 8 May Edict No. 686 On Improving State Control Of Defense Industry. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (400) (Text)

Yeltsin 8 May Edict No. 688 On Priority Measures To Support Enterprises Of Defense Complex. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (950) (Text)

RF 8 May Federal Law No. 41 'On Production Cooperatives', Plus Commentary By State Duma Committee Deputy Chairman Ivan Grachev. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 pp 4, 5) (8000/1200)

RF 9 May Federal Law No. 42 On Changes To Federal Law On Military Service Obligation. (Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4) (200) (Text)

Yeltsin 14 May Directive No. 239 On Celebration Of Family Day. (Moscow ROSSIYSKAYA GAZETA in Russian 16 May 96 p 5) (300)

Yeltsin 16 May Edict No. 720 'On Measures To Ensure Payment Of Wages To Teaching Personnel In General Educational Establishments When They Are Granted Annual Leave.' (Moscow ROSSIYSKIYE VESTI in Russian 18 May 96 p 5) (300)

Yeltsin 16 May Edict No. 722 'On The Transition To Filling Posts For Privates And Sergeants In The Armed Forces And Other Russian Federation Troops On A Professional Basis.' (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 1) (300)

Yeltsin 16 May Edict No. 723 'On Procedure For Sending Drafted Compulsory-Service Servicemen To Fulfill Tasks In Armed Conflict Conditions And To Take Part In Combat Operations.' (Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 1) (300) (Text)

Yeltsin 16 May Edict No. 724 'On Gradually Reducing Use Of Death Penalty In View Of Russia's Entry Into Council Of Europe.' (Moscow ROSSIYSKIYE VESTI in Russian 18 May 96 p 5) (400)

Constitutional Court Ruling On Constitutionality Of Yeltsin's Edict No. 1969 Of 3 October 1994 'On Measures To Strengthen the Uniform System Of Executive Power In The Russian Federation' And Of Statute On Local Administration Heads, Plus Dissenting Opinion By Justice V.O. Luchin. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 5) (4000/2000)

SECTION III: SCIENCE AND TECHNOLOGY

Government 15 April Decree No. 474 Approving Statute On Licensing Production Of Prosthetic And Orthopedic Articles With Attached Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 9) (150/2000) Government 1 May Decree No. 533 Approving Concept Of Russian Federation's National Space Policy. (Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 6) (200) (Text)

Presidential 8 May Edict No. 676 On Measures Of State Support For Sufferers Of Diabetes. (Moscow

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ROSSIYSKAYA GAZETA in Russian 13 May 96 p 1) (300)

Regional Affairs

Russia: Yeltsin Likely To Visit Chechnya Only After Bamut Seizure

LD2205103596 Moscow ITAR-TASS in English 1020 GMT 22 May 96

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW May 22 (Itar-Tass) — Russian President Boris Yeltsin is likely to visit Chechnya only after the federal troops seize the last rebel stronghold of Bamut in the south-west of the republic, according to a high-ranking Defence ministry official.

"Only the seizure of Bamut will open a real possibility for the trip of the Russian president to Chechnya", he told Tass on Wednesday, speaking on conditions of anonymity.

Fierce fighting has raged for Bamut, which is a former Soviet missile base, for several days and the official said over 20 Russian troops were killed and 48 wounded.

He said the fighting was going with the use of artillery, tanks and aircraft, but said the army did not use more "efficient" weapons to destroy the fortified village in order to save the lives of Russian POWs kept in Bamut and to spare the military installations and communications there.

"The military refrain from the use of more efficient means of combat power, capable of fully and quickly eliminating the stronghold of the militants, because POWs are being held there and also because of the wish to preserve life-support objects and communications in the settlement", the official said.

He added that military installations of the former missile base have two-metre thick armoured concrete walls and well-equipped silos.

The official said up to a thousand of Chechen militants were defending the stronghold.

Chechen pro-Moscow premier Nikolay Koshman told a press conference in the Russian capital on Wednesday that the separatists would "hold to the last man" in Bamut, but would be finally routed in two-three days.

He said all the civilians had fled Bamut.

Russia: Chechen Leaders Warn Yeltsin Against Contact With Rebels

LD2205100396 Moscow INTERFAX in English 0946 GMT 22 May 96

[FBIS Transcribed Text] GROZNYY, May 22 (Interfax) — Chechen leaders said they will try to dissuade Russian President Boris Yeltsin from making contact with separatists during his visit to the Chechen capital of Groznyy ahead of the presidential elections scheduled for June 16.

Nikolay Koshman, prime minister in the Moscow-backed Chechen government, expressed the hope that "the republic's leadership will be able to persuade the Russian president that the separatists cannot be a party to the talks on a peaceful settlement of the conflict in Chechnya."

"It won't come to a meeting with militants," Koshman told journalists at a press conference in Moscow on Wednesday.

He stressed that talks cannot be conducted with Chechen separatist leader Zelimkhan Yandarbiyev, field commander Shamil Basayev and the like, "whose hands are bloodied up to the elbow."

Koshman noted that a dialogue may be possible only with certain field commanders to find out whether they recognize the legitimate authorities and whether they are ready to turn in their arms.

The Chechen prime minister believes that all speculations that there are three parties to the Chechen conflict are wrong. "There is only Russia, of which Chechnya is a part. And under these circumstances, only talks between the federal center and the Chechen government on the delimitation of power are possible," he said.

At the same time, Koshman said that Yeltsin's visit to Groznyy was necessary. "I expect that the visit will resolve many problems concerning the restoration of Chechnya's economy," he said.

Russia: Grachev: 'No Need' for Yeltsin's Chechnya Trip at Present

LD2205100796 Moscow Russian Public Television First Channel Network in Russian 0500 GMT 22 May 96

[From the "Novosti" newscast]

[FBIS Translated Text] [Announcer Anna Prokhorova] Russia's Defense Minister Pavel Grachev is on a tour of inspection of units in the east of Russia.

[Unidentified correspondent] From the very outset of his stay in the Urals town of Shadrinsk — where Grachev

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started off his several days of touring the east — he had to face up to a difficult conversation with military transport pilots and particularly with their families, hundreds of whom are still lodging in emergency housing for a third year now following the relocation of the air regiment from the Baltic. The minister issued an instruction to the officials accompanying him to seek out, in conjunction with the local authorities, a way of building more housing, hospitals, and children's facilities in these regions more rapidly, particularly as the need for them is going to increase even further in the immediate term because of the presidential edicts adopted several days ago on staffing the Army on a professional basis. [video shows Grachev and officials crossing airfield tarmac to row of transport aircraft, trucks and air crew lined up for his inspection, Grachev speaking to crew and in middle of group of army wives; crew inside aircraft; panning shot of row of aircraft]

[Begin recording] [Correspondent] What is your opinion of Boris Nikolayevich Yeltsin's decision to go to Chechnya?

[Grachev] I have two opinions. One can understand the president's desire to go to Chechnya. On the other hand, under present conditions I believe there is no need for the president to go to Chechnya for the time being, particularly as we have only one president who is the head of state, whom we are obliged to protect. [end recording]

[Correspondent] Nor did the minister share General Tikhomirov's optimism, expressed in his recent appraisal of the military confrontation in Chechnya.

[Begin Grachev recording] Once the organized gangs have been dealt with. But it is, of course, highly unlikely that they will cease putting up resistance in June and we should have no illusions on that score. The resistance is going to go on for a considerable time yet. [end recording]

[Correspondent] Grachev flew on to Chita, having taken part in military command exercises in Yekaterinburg and having discussed the problems of army reform with the generals and officers. [video shows Grachev gesturing to officers, armored vehicle monument, aircraft taxiing]

Russia: Grachev Says Troops To Start Chechnya Withdrawal 1 Jun

LD2205093996 Moscow ITAR-TASS in English 0930 GMT 22 May 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] YEKATERINBURG May 22 (Itar-Tass) — Russia will start withdrawing its troops from Chechnya on June 1 and will complete the operation in two months leaving only the units of the North Caucasian military district in the rebel republic, according to Defence minister Pavel Grachev.

"The Defence ministry has passed a decision to begin the withdrawal of troops from June 1 and complete it by August 1, 1996. Only units of the North Caucasian military district will remain on the Chechen territory... and will participate in special operations to eliminate bandit formations", Grachev told a meeting of army officers in the Ural city of Yekaterinburg on Wednesday.

"The situation in Chechnya has changed in such a way that there is no necessity to keep there such a number of troops (as at present)", Grachev said adding that the army had fulfilled its mission in Chechnya "with dignity".

Russia: Grachev Says Chechen War Unlikely To End in Jun

LD2205093096 Moscow Russian Television Network in Russian 0700 GMT 22 May 96

[FBIS Translated Text] Col. Protogen Andreyevskiy, commandant of the Chechen Republic, has said fighting in Chechnya is lessening. In Col. Andreyevskiy' opinion, this is because of stricter passport controls, confiscation of illegal weapons and identification of possible areas where the fighters are concentrated.

This opinion differs to that of Russian Defense Minister Pavel Grachev. The defense minister has spoken about the forecasts that hostilities in the republic will cease before the end of June. Pavel Grachev stated that he did not share the hope that they would end by that time.

[Begin Grachev recording] The bandits have switched to a new tactic for fighting the federal forces, that of mine warfare. This means laying mines in the terrain and on the roads to inflict losses in manpower and equipment during movement and on marches. But as for their ending resistance in June, that's not very likely, of course. [end recording]

Russia: Moscow To Allocate R900 Billion To Restore Chechen Economy

LD2105182196 Moscow ITAR-TASS in English 1540 GMT 21 May 96

[By Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW, May 21 (Itar-Tass) — A total of 900 billion roubles [R] will be allocated to the Chechen republic until the end of May for the restoration of the Chechen economy, Secretary of the

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Russian Security Council Oleg Lobov told Itar-Tass today.

The schedule of allocations was endorsed at today's session of the state commission for the Chechen settlement. Part of the disbursement worth 100 billion roubles will be remitted to the Chechen budget, while the rest of the funds will be used to pay various subsidies.

Lobov said that the Commission had discussed humanitarian supplies and their distribution in Chechnya. A resolution was adopted that all humanitarian cargoes and other relief supplies would be sent to Groznyy and subsequently, be distributed among Chechen regions by the authorities. A special committee will be set up in Chechnya for the distribution of relief supplies, Lobov said.

Russia: Seized Documents Reveal Chechen Rebels' 'Criminal' Plans

MM2205081096 Moscow KRASNAYA ZVEZDA in Russian 22 May 96 p 3

[Unattributed report under the general headline "Gunmen Become More Active in Mountain Areas but They No Longer Have the Manpower and Equipment for Large-Scale Resistance"]

[FBIS Translated Text] The latest confirmation of the gunmen's intentions to resolve all questions with the local population from a position of strength and terror has been received by the FSB [Federal Security Service] operations staff.

In Vedenskiy Rayon, between the settlements of Agishbatoy and Guni, during the execution of a meticulously planned joint FSB and federal forces operation documents belonging to bandit formation members were seized. Lists of inhabitants of adjacent populated areas which are scheduled to be destroyed for wanting a peaceful resolution of the conflict and for refusing to help the gunmen were found among the personal documents of Dudayev supporters. Measures are currently being taken to prevent reprisals against these people.

During the operation information was obtained confirming that considerable financial aid from abroad has been given to the bandit formations. The seized documents include receipts for extremely impressive sums of foreign currency. A number of documents indicate that the gunmen have a large quantity of small arms. This is confirmed by a bandit group's lists detailing the weapons in its possession.

A note from Shamil Basayev to his brother Shirvani instructing him to issue antitank mine fuzes to a bandit group member named Abu was also intercepted. An analysis of the documents seized in the same rayon makes it possible to conclude that in its activities this criminal organization relies primarily on people with a criminal past. Accordingly it can have nothing in common with such concepts as law and order.

Russia: Chechen Assault on Bamut Reported

LD2105150396 Moscow Russian Television Network in Russian 1300 GMT 21 May 96

[FBIS Translated Text] Federal troops began another assault on Bamut at 0500 today. We are 800 meters from the village. Fighting has been going on for over an hour. This is the third assault on Bamut. An attempt to take it was made in spring last year by the militia and internal troops. Now, defense ministry units are part of the attack — special-purpose troops, paratroopers, motor-rifle and tank units.

The action started early this morning. Aircraft — planes and helicopters — carried out a strike against the village. Then quietly, without preparatory bombardment, army units began to move on to the commanding heights over Bamut. About about an hour into the advance, fierce fighting began on all sectors of the offensive. The defenders of Bamut who, according to different information, number between 300 and 500, are putting up fierce resistance. They have neither aircraft nor heavy artillery, only anti-aircraft guns and mortars.

According to the military, the majority of the heights surrounding Bamut and the northern part of the village are now under the control of the joint group. The federal forces are urgently bringing up ammunition and erecting fortifications in areas they have seized. The assault is not yet over. According to the command, the troops will not be rushing headlong into the advance but will be relying on the power of their guns. It is still too early to speak about either side having an overwhelming advantage. The situation is still developing.

Russia: Yeltsin Meeting With City Mayors 'Meaningful'

MM2205083196 Moscow ROSSIYSKAYA GAZETA in Russian 22 May 96 p 1

[Report by Gennadiy Litvintsev: "Every City Has Its Different Ways. What President Boris Yeltsin Discussed With Russian Mayors"]

[FBIS Translated Text] Voronezh — Talking about the recent meeting between mayors of Russian cities and Boris Yeltsin held on board the MS Rossiya, Aleksandr Tsapin, head of the Voronezh administration, called it full of human warmth, extremely frank, and very meaningful. "Boris Nikolayevich listened more than he talked. It seemed to me that he needed to get a direct

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impression, without any intermediaries, of the concerns and sentiments of Russia's regional centers. And I felt that he was greatly interested in all our affairs and was very well-informed...."

Big cities, as centers of industry, culture, science, and education, are the engines of the economy. At the same time they probably display most acutely all the costs of reform: unemployment, high living costs, crime, and the little social protection available to certain sections of the population. The government does not always respond quickly to warnings from local level. And the cities increasingly lack economic independence and are acutely short of their own resources. The law on the foundations of the organization of local self-government has been of little help in this area as yet.

The head of local self-government in Voronezh formulates his strategic goal as follows: "Moving from the current 'survival' mentality to the steady development of the city."

What does this mean? For example, the "Housing" social program envisages free subsidies of up to 70 percent of the cost of construction or finished housing for citizens needing improvements to their housing conditions. Telephone lines are being installed using a loan raised from the population which has made it possible to increase the number of subscribers in the city by 26,000 over the past year.

Of course, the conditions under which the mayors who met with B. Yeltsin on the Rossiya operate are not uniform: Every city has its different ways, as people used to say. But that makes such meetings all the more interesting and useful.

Russia: Grachev Backs Yeltsin in Speech at Yekaterinburg Garrison

LD2205101296 Moscow INTERFAX in English 0945 GMT 22 May 96

[FBIS Transcribed Text] YEKATERINBURG, May 22 (Interfax) — Russian President Boris Yeltsin acts on behalf of the people, not on behalf of one party, Russian Defense Minister Pavel Grachev told the officers of the Yekaterinburg garrison Wednesday.

Stability is the most important thing for Russia. Sharp changes must be avoided and reform must be continued, he said.

In his opinion, all Russian servicemen link this with the current president and commander-in-chief, and support his candidacy.

"Only Yeltsin can ensure the promotion of the reform," said Grachev.

"Only President Yeltsin can speak and act for the sake of the interests of Russia and its people, not in the interests of one party or ideology," he continued. Grachev is convinced that "only our president can ensure a relatively calm completion of the period of transition to a free and open society, and prevent new tremors and dangers of social experiments."

Speaking about the development of the armed forces, he said that it is the task of the state rather than the army alone. He announced that the implementation of the plan for the development of the armed forces for 1993-95 was completed in 1995.

The tasks of accommodating the army groupings removed from eight states were actively tackled, a number of military districts (the Moscow and the North Caucasian military districts) were reorganized into border ones, the disrupted control system was restored and peacekeeping functions were carried out, said Grachev.

Measures are being taken to make the structure of the troops and control over them in new conditions more efficient, he continued.

Concurrently, the armed forces were cut down in size. Since May 1992, they have been reduced by 1 million men. The transition to a mixed system of manning the Russian army continued, he said.

He spoke about five aspects of the development of the armed forces.

First, the provision of guarantees of nuclear deterrence and the rationalization of the structure of the strategic forces to which priority must be given.

Secondly, the strength of the armed forces must be optimized with a gradual transition, beginning in the year 2000, to a contract system in strict accordance with the presidential decree.

Thirdly, he spoke of the perfection of the armed forces organization. "It's a complicated problem, so in the near future we shall determine the main aspects of army restructuring," said Grachev.

Fourthly, it is necessary to equip the armed forces with modern weapons and perfect the system of the armed forces.

Finally, a social program for servicemen should be implemented. Social guarantees should be provided to the personnel and their families with due account taken of the transition to a professional army. "We shall work to ensure that the state program for building housing for servicemen be fully implemented," said Grachev.

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Russia: Defense Industry Minister at Moscow Missile Plant

MM2105144996 Moscow Russian Television Network in Russian 1300 GMT 13 May 96

[From the "Vesti" newscast: Video report by A. Peslyak, identified by caption; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Text] [131622] [Zinoviy Pak, new minister of defense industry, addressing a news conference] Many of you know about the Topol and Topol-M systems, which are indeed the No. 1 priority. They have government backing.

[Peslyak over video of truck-mounted Topol missile] This system was also developed at the Moscow Thermal Equipment Institute. Zinoviy Pak, the Russian minister of defense industry, recalled today that the objective of the state missile program was above all to ensure state security. In accordance with presidential decrees, the government will this month repay its debt to almost 2,000 defense industry enterprises, which runs into trillions [currency not specified]. Enterprises will be granted preferential treatment, land for their own use, and tax deferment. Subject to market conditions, there is a defense order for March. And we will sell to others what our Army already has. What is important is not vast quantities of arms, but their maintenance at the requisite level.

As for space launchers, following the launch of the Astra Eurosatellite our Protons are conquering the world market. The Tsiklon launcher has been used to place Ukrainian and Chilean satellites in orbit. Flights by guest astronauts to the Mir station are becoming profitable. We have learned to place radio beacons on containers and trucks so as to monitor from space their progress and safe-keeping on Earth. In general we will woo the consumer and provide cost-effective space television and telephone communications. After all, we are not producing only missiles and launchers. [131743] [video shows news conference, mobile Topol missile, space launchers, launcher production facilities, launch pad]

Russia: Fourth Candidate Registered for Moscow Mayor

LD2105190496 Moscow ITAR-TASS in English 1640 GMT 21 May 96

[By Yelena Kornysheva]

[FBIS Transcribed Text] MOSCOW, May 21 (Itar-Tass) — The Moscow city electoral commission today registered the fourth candidate for Moscow mayor — Olga Sergeyeva.

Sergeyeva runs in tandem with Stanislav Terekhov, a hard-line military officer, as a candidate for vice-mayor.

All aspirants for the mayor's post have registered in pairs with candidates for deputy mayor.

The three previously registered pairs have been the present Moscow Mayor Yuriy Luzhkov and prefect of the southern city district Valery Shantsev; chairman of the Party of Scientific and Technical Intelligentsia Aleksandr Krasnov and director of Vozrozhdeniye-R company Nikolay Moskvichyov; executive officer of Rosshtern company Vladimir Filonenko and the company's departmental chief Nikolay Chumakov.

The electoral commission's working group has probed into authentity of 89,509 signatures of support for candidates and rejected some 4,000 for different reasons, such as the absence of addresses of signature-givers or incorrectly entered passport information. A good many of signature lists have been found to be false, with non-existent numbers of apartment houses or flats on them, as ascertained by inquiries of passport offices.

Denial of registration to Sergeyeva and Terekhov was moved by the group, but it was finally granted by the electoral commission after three rounds of voting.

Nonetheless, the commission's deputy chairman Valentin Gorbunov said in a statement that "it has been decided to send to law and order organs for a more thorough check the signature lists which commission members think contain counterfeit information about electors."

The city electoral commission approved the design of the ballot paper for the mayor elections to be held on June 16.

By now the ballots have eight pairs of names of candidates for mayor and deputy mayor.

Russia: Second Round of St. Petersburg Election Set for 2 June

LD2105130396 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1158 GMT 21 May 96

[FBIS Translated Text] The second round of the election for governor of St. Petersburg is set for 2 June, a correspondent of EKHO MOSKVY radio station reported.

Aleksandr Garisov, chairman of the city's electoral commission, announced this at a meeting with journalists today. The final meeting of the electoral commission will be held this evening. There is, however, a small chance that the date of the repeat vote will be changed.

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Anatoliy Sobchak and Vladimir Yakovlev have a tight election campaign ahead which will end with live debates on Peter [St. Petersburg] television.

Russia: Yakovlev Parades Election Coalition in St. Petersburg

LD2105193996 St. Petersburg Fifth Channel Television Network in Russian 1555 GMT 21 May 96

[By "Seychas" correspondent Oleg Sysoyev]

[FBIS Translated Text] A news conference has been held in [St. Petersburg's] Journalist House to mark Vladimir Yakovlev's passage into the second round of the St. Petersburg gubernatorial [head of administration] election. The candidate thanked, in the first place, voters who had cast their ballots for him as well as his election coalition partners. In their turn, Igor Artemyev and Vyacheslav Shcherbakov, who withdrew their candidacies in Yakovlev's favor, announced that they planned to go on working as part of the coalition. They were joined by Aleksandr Belyakov and Aleksandr Belyayev, who announced their attention to work alongside Vladimir Yakovlev and called on people who had voted for them in the first round to cast their ballots for the coalition's joint candidate. At the end, those present shared with journalists their plans in the event of victory at the final stage of the election.

Economic Issues

Russia: Chernomyrdin Addresses Industrialists, Entrepreneurs

MM2105115396 Moscow ROSSIYSKAYA GAZETA in Russian 18 May 96 p 5

[Report by Igor Maksimov: "Taxes Declining. Enterprises Have To Choose Between Barter and Tax Breaks"]

[FBIS Translated Text] One of the main subjects of Viktor Chernomyrdin's speech at the Seventh Congress of the Russian Union of Industrialists and Entrepreneurs was the coming changes to the tax system, as reflected in documents and presidential edicts under preparation (and some already signed) as well as in the concept for next year's federal budget, work on which is in full swing. Thus, the premier announced that as of 1 January 1997 it is planned to abolish taxes and imposts on earnings from the sale of goods and services which fail to take account of taxpayers' real profits. It is planned to minimize targeted taxes — in particular, to abandon taxes for the use of highways, the upkeep of the housing stock and social and cultural facilities, securities operations, the transportation tax, and imposts for the needs of educational establishments, the upkeep of law and order organs, and the provision of facilities to territories.

According to the premier, next year we can expect a consolidation in the federal budget of state nonbudgetary funds retaining their targeted thrust and normative deductions. At the same time, it is planned to introduce a single payment to all social funds. Taxes and payments with a single tax base will begin to be unified. It cannot be ruled out that this will primarily affect resource payments — taxes on sales of fuels and lubricants and motor fuel.

As of 1 January 1997 it is planned to introduce concessionary tax-payment arrangements for enterprises if they have no current debt and intend to record sales on the basis of calculating and compiling invoices, or if they intend to avoid barter deals and transactions involving bearer bonds. For these model economic components advance payments will be abolished, and in their place will be a one-time payment of all taxes no more than once a month. The premier added that for all payers of VAT the compilation of sales invoices will be compulsory.

The government may decide to ease tax arrangements for enterprises which are working steadily, getting established in their markets, and developing new products. To this end a whole range of criteria for assessing economic management efficiency is currently being drawn up. Viktor Chernomyrdin promised the representatives of the corps of directors that the level of the fines payable for delayed tax payments would be at least halved, and a corresponding Russian Federation presidential edict has been signed and could come into force at the end of May.

At the same time, the premier announced the creation of a commission to carry out comprehensive checks into the 20-30 enterprises with the highest levels of nonpayments to the federal budget, recalling that just over 60 market players currently account for 70 percent of all arrears.

Russia: Chernomyrdin Holds Conference on Financial, Economic Issues

LD2105201396 Moscow ITAR-TASS World Service in Russian 1517 GMT 21 May 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] Moscow, 21 May (ITAR-TASS) — This afternoon Russian Prime Minister Viktor Chernomyrdin held a working conference on financial and economic issues. First Deputy Prime Minister Vladimir Kadannikov, Central Bank chairman Sergey Dubinin, Economics Minister Yevgeniy Yasin, and Aleksandr

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Livshits, presidential aide for economic issues, took part in the conference.

After the conference, Aleksandr Livshits told an ITAR-TASS correspondent that "the financial policy, the currency exchange rate, and the implementation of the federal budget" were discussed.

Russia: Soskovets Examines Government's Basic Economic Trends

LD2205103496 Moscow ITAR-TASS in English 0824 GMT 22 May 96

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 22 (ITAR-TASS) — The reform of state-owned enterprises, the formation of financial groups and demonopolisation of the economy are among the basic trends of the government's activity. Oleg Soskovets, the Russian First Deputy Premier, said this on Wednesday at a conference "Economic Transformations in Russia: Realities and Perspective."

Soskovets believes that one of the instruments of enhancing the effectiveness of enterprises' management is the use of mechanisms of bankruptcy and the work with insolvent enterprises. According to the estimate of the federal agency for cases of insolvency, more than one fifth of the enterprises surveyed show signs of insolvency. Their share was particularly high in the defence industry, the fuel-and-energy complex and in transport.

The setting up of financial groups in industries is an important factor of transformations. Thirty-five such groups have already been formed. They include 550 enterprises, among them 75 banks, and employ 2.5 million people. However, there are certain difficulties in forming financial groups for industries, Soskovets admitted. He mentioned the fact that the problems of consolidating property in a central company are unresolved, an insignificant share of the assets of participants in the groups is registered in the authorised capital, and that banks are not efficient enough.

Russia: Soskovets Reports on Poverty Level to Reforms Conference

LD2205104396 Moscow INTERFAX in English 0850 GMT 22 May 96

[FBIS Transcribed Text] MOSCOW, May 22 (INTER-FAX) — The number of Russians with earnings under the poverty line dropped 20 percent in the first quarter of 1996, First Deputy Prime Minister Oleg Soskovets told a conference on economic reforms Wednesday.

The population's real earnings rose 2 percent in the first quarter, he said. "Lowering the social cost of reforms is the government's main goal," he said.

To do this, "we need to find a balance between the government's economic capabilities and the population's needs," he said. "An active social policy does not contradict the goal of economic stabilization.

"Furthermore, an underfinanced social sphere, and a lowering of the standard of living delay the start of economic growth," he said, adding that a society's stablity is based on the formation of a middle class.

The basis of the Russian economy will be private business, although government businesses will also remain, he said. "We will also begin smoothing out the mechanisms for effective control of government property on the regional, as well as federal level," Soskovets said.

Russia: Soskovets Reports Low Collection of Taxes to Federal Budget

LD2205090196 Moscow ITAR-TASS in English 0830 GMT 22 May 96

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, May 22 (ITAR-TASS) — The collection of taxes to the federal budget on the results for the first quarter of 1996 is at a very low level, amounting to about 60 percent of what was planned for the first quarter of the years, said Oleg Soskovets, the Russian First Deputy Premier. There is a lag in all kinds of tax receipts. As a result it has not been possible to finance in full volume the expenditures envisaged by the budget and ensure the evenness of their financing," he said.

Speaking on Wednesday at the conference "Economic transformations in Russia: reality and perspective", Soskovets said that the discipline of enterprises in making payments has not yet improved. The debt for the payment of credits surpassed 290,000 billion roubles in March of the current year. It has not yet been possible to overcome negative tendencies in investment area. Thus, in January-April 1996 investment amounted to 82,000 billion roubles, 90 per cent of the sum for the corresponding period last year.

Soskovets believed that the social price paid for reforms is quite high. To corroborate his words he noted that real monetary incomes of the population dropped by 13 percent in 1995.

There is a certain improvement this year, however, Soskovets said. The incomes of the population increased by two percent in the first quarter, while the number of

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people with incomes lower than the subsistence level decreased by 20 percent. "The main task in this area is to enable people to work and receive due rewards," Soskovets said.

The first Deputy Prime Minister said that work on 14 branch and 75 regional programmes is conducted in the framework of the state programme for demonopolisation of the economy and development of competition on Russian markets. The government gives special attention to the regulation of production by natural monopolists. A system of price control is being formed to normalise the situation in this sphere, Soskovets said.

Russia: Yeltsin Aide Livshits Warns Buyers of Dollars

LD2105153496 Moscow INTERFAX in English 1316 GMT 21 May 96

[FBIS Transcribed Text] MOSCOW, May 21 (INTERFAX) — According to presidential aide on economic issues Aleksandr Livshits, there has appeared a trend to buy American dollars by Russians not only in order to export currency but to invest money for its safety. While discussing this trend at the meeting with journalists Tuesday, Livshits underlined that "it was not unexpected for him and his colleagues."

"The nearing elections tell on this. They always look like a kind of drama in Russian history," he explained.

The Central Bank of Russia will carry out all operations (sale and purchase of dollars) with everybody who wishes this.

"However, those, who fear that communists will come to power and hope that having invested their assets in dollars they may save something, may seriously miscalculate because nobody knows what the Communist Party will do with owners of currency if it wins. I am afraid that nobody knows this, even the Communist Party itself," Livshits said.

Those owners of dollars who firmly trust in the victory of President Boris Yeltsin may be disappointed as well, Livshits said. "When we were assessing prospects of the second half of the year with respect to the currency rate we were concerned not over the high but the lower boundary of the (currency) corridor. It is not ruled out that we shall receive such a sensible inflow of foreign currency into the country after Yeltsin's victory that its supply on the market may lower the dollar rate," he said.

"I am not propagandizing charms of the ruble, it will defend itself, but to rush into the dollar's embraces carelessly is not the best idea. I warn you, you can go bust!" Livshits said addressing potential readers and TV viewers.

Russia: Yekaterinburg Forum Calls For Economic Revival Measures

MM2105124896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 May 96 p 1

[Report by Sergey Avdeyev under "Forums" rubric: "'Russian Davos' Has Met in Urals" — from the 'Business Tuesday' section p 1]

[FBIS Translated Text] Yekaterinburg — The first Russian economic forum opened in Yekaterinburg 17 May. Dissident entrepreneurs, bankers, and local administration heads began speaking of the need to convene it in the wake of the celebrated "letter of the 13." After stigmatizing their business colleagues who signed the "conciliationist" letter to the country's leadership, the new political and economic elite set about creating a new economic party — the "Movement for Russia's Socioeconomic Progress." Representatives of 63 of the country's regions want to unite all healthy forces that are capable of engaging in business and to influence the president and the government with a view to creating the necessary conditions for our fatherland's prosperity.

"We don't want to take flight with our capital," "Inkombank" President Vladimir Vinogradov said in his speech. "Not even after 16 June. We know how to get the country out of the impasse, and we must do so."

After reading out B. Yeltsin's greetings message to the forum participants, Aleksandr Livshits, the president's aide for economic questions, admitted: Yes, there is an urgent need to correct the country's economic policy. "Russia's economy is standing before a closed door leading from the inflation room to the investment room, and it is unable to open it," he concluded sadly.

The gentlemen gathered in the "Russian Davos" discussed some urgent measures to improve the health of Russia's economy. These include ensuring protection for ownership rights, improving the tax system, increasing investment activity, and strengthening the population's social protection.

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International Affairs

Ukraine: Moroz Says NATO's Eastward Expansion 'Erroneous'

LD2105182796 Kiev UNIAN in Ukrainian 1520 GMT 21 May 96

[FBIS Translated Text] Helsinki — Oleksandr Moroz, chairman of the Supreme Council of Ukraine, currently on an official visit to Finland, had a conversation behind closed doors with Finland's President Martti Ahtisaari on 21 May. The two men focused on the future cooperation between European countries in ensuring stability in the region, and, in particular, on the issue of NATO's eastward expansion.

At a meeting with journalists, Moroz spoke favorably of the stand taken by Ahtisaari, who said "unambiguously that Finland has no intention of joining NATO and does not regard the alliance's eastward expansion as necessary".

"NATO's eastward expansion is erroneous," Moroz said. The head of parliament also described as "erroneous" the assertion by NATO's Secretary General Javier Solana that members of the European community should join NATO.

Moroz said that he and the Finnish president share the opinion that that interests of nonaligned countries, Ukraine included, should be taken into account when it comes to NATO's expansion. Moroz said Ahtisaari approved of his proposal to hold an international conference on security and cooperation in Europe, similar to the 1975 Helsinki conference, in Kiev.

At the meeting Moroz pointed out the positive role of Finland, which did not join NATO, in the European integration processes over the past few decades. He said Ukraine would "inevitably" play the same role today, "taking into account its geopolitical situation and its steps toward acquiring nuclear-free status."

Moroz and Ahtisaari also discussed bilateral cooperation, the role of international organizations in Europe — in particular, the need to step up the role of the OSCE [Organization for Security and Cooperation in Europe] — and the issue of using military peacekeeping forces of nonaligned countries.

Ukraine: Buteyko Says Kiev 'Does Not Object' to NATO Expansion

LD2105214196 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 21 May 96

[FBIS Translated Text] Ukraine regards NATO as an important element of European security and, therefore, it does not object to the alliance's expansion, Anton Buteyko, first deputy foreign minister of Ukraine, told a Ukrainian Renaissance news conference in Warsaw. No single state has the right to impose a veto on the alliance's expansion, he said. At the same time, Buteyko stressed that the expansion should not threaten the security of other states, including Ukraine. He also urged other states to take into account Russia's special interests.

Ukraine: EU Says Ukraine's Sovereignty Key for European Security

LD2105201296 Moscow INTERFAX in English 1734 GMT 21 May 96

[FBIS Transcribed Text] KIEV, May 21 (Interfax-Ukraine) — The European Union has reiterated the importance of the independence, territorial integrity and sovereignty of Ukraine as a key element of European security.

"Ukraine has achieved significant progress in strengthening democracy," the Ukrainian Foreign Ministry press service quoted a EU statement issued Tuesday in connection with the upcoming fifth anniversary of Ukraine's independence.

The EU approved of Ukraine's active and constructive role in ensuring regional and European security and expressed hope for a quick approval of a new constitution which "would provide a legal basis for the country's intention to achieve complete integration in the family of European nations."

The EU will continue studying the possibility of recognizing Ukraine as an economy in transition and will support and contribute to Kiev's integration in the world economic order through membership in the World Trade Organization.

According to the EU, the implementation of the provisional agreement on partnership and cooperation will be the priority in its relations with Ukraine in the upcoming years.

The EU has pledged to assist Ukraine in the closure of the Chernobyl nuclear plant, in accordance with the Memorandum on Cooperation signed in Ottawa last December.

Ukraine: De Rycke Urges Ukraine To Mediate Between NATO, Russia

LD2105122296 Moscow INTERFAX in English 1119 GMT 21 May 96

[FBIS Transcribed Text] Kiev, May 21 (Interfax-Ukraine) — Ukraine must be a mediator in establishing cooperation between NATO and Russia, said Belgian Foreign Minister Erik de Rycke.

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While meeting with first deputy chairman of Ukraine's parliament Oleksandr Tkachenko, he spoke of NATO's interest in cooperation with Russia. "Ukraine's position may play a significant role here," he said.

"Ukraine must balance between the East and the West, must play the role of a stabilizing factor in the region," de Rycke said. NATO's enlargement eastward "does not threaten anybody but will promote security in Europe," he said.

For his part, Tkachenko expressed fears that "Ukraine may wind up a buffer zone between two military-political systems."

"Ukraine treats the wish of the Eastern European states to enter NATO's political system with understanding. However, it follows military aspects of this problem with great fear," he said.

According to Tkachenko, "stationing of forces, moreover nuclear weapons, on the territory of the former Warsaw Pact countries may cause a new spiral of tension."

"Ukraine intends to adhere to a doctrine of non-alliance and neutrality and to closely cooperate with NATO and CIS countries which signed the Tashkent Treaty on Collective Security," Tkachenko said.

Ukraine: Foreign Minister Arrives in Rome for EU Meeting

LD2105142096 Kiev UNIAN in Ukrainian 1215 GMT 21 May 96

[FBIS Translated Text] Rome — Ukrainian Foreign Minister Hennadiy Udovenko arrived in Rome on 21 May to attend an EU troika meeting of foreign ministers.

The ministers will discuss four issues: EU relations with Ukraine, the European security architecture, the situation in former Yugoslavia, and EU relations with Russia and the CIS.

Udovenko told journalists he intended to emphasize that the attitude to Ukraine in Western Europe was "cooler than in the United States and Canada."

He said he would insist on recognizing Ukraine as an economy in transition, which would "facilitate greater macroeconomic, technical, and financial assistance." Such a move would also have great political importance, Udovenko added. The Ukrainian minister recalled that the European Union had already recognized the Russian Federation as an economy in transition, which was stated in the preamble to the partnership and cooperation agreement between the EU and Russia.

Ukraine: Udovenko Views Relations With Russia as 'Priority'

LD2205111696 Moscow ITAR-TASS in English 1005 GMT 22 May 96

[By Aleksey Bukalov]

[FBIS Transcribed Text] ROME, May 22 (Itar-Tass) — "Partnership and good-neighbourly relations with Russia are a priority area of the Ukrainian foreign policy," Ukrainian Foreign Minister Hennadiy Udovenko, now on a visit to Italy, said in an exclusive interview with Itar-Tass here on Wednesday.

The minister stressed that Ukraine does not intend to join the North Atlantic alliance and added: "The positions of Ukraine and Russia basically coincide on the question of NATO expansion to the East.

"There are, may be, some nuances in our point of view. For instance we do not believe that somebody has a veto right on NATO decisions concerning its membership," Udovenko continued.

"Incidentally, Russian diplomacy abides by a similar position," the minister noted. "This identity of views is observed not only on this problem but also on all the main international issues. We have repeatedly met with Russian Foreign Minister Yevgeniy Primakov and quickly found a common language."

"This notwithstanding, Ukraine intends to cooperate closely with NATO, including together with Russia, within the Partnership for Peace programme," Udovenko noted.

"However, our country will never agree to plans of deploying nuclear weapons on new flanks of the alliance, which would create an unnatural geopolitical situation in this area of Europe.

"Ukraine would turn into a buffer zone of a kind between an expanded NATO and countries which have signed the Tashkent agreement on mutual defence. There is no need for building a new Berlin Wall.

"Ukraine hopes that common sense will prevail, and NATO will never take such a rash decision," the minister added.

Udovenko praised the recent Moscow summit of the Commonwealth of Independent States. In the minister's opinion, the active moral support, rendered by the heads of those countries to leader of russian reforms President Boris Yeltsin on the eve of elections, was the main topic at this summit.

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Ukraine: Udovenko Supports Yeltsin in Presidential Elections

LD2105203096 Moscow ITAR-TASS in English 1832 GMT 21 May 96

[By Aleksey Bukalov]

[FBIS Transcribed Text] ROME, May 21 (Itar-Tass) — Ukrainian Foreign Minister Gennadiy Udovenko told Itar-Tass on Tuesday he hoped that Russian President Boris Yeltsin would win the June 16 elections.

"I hope the forces of reform which are headed by Boris Yeltsin will win Russia's forthcoming elections," Udovenko said in Rome where he met his Irish, Italian and Spanish colleagues.

Italian Foreign Minister Lamberto Dini said the European Union (EU) had allocated 200 million ecu for maintaining the Ukrainian economy.

In 1995, Italy unfroze a tranche of credit worth 150 billion lire (100 million U.S. dollars) for Ukraine, Dini said.

In addition, motorcar producer FIAT plans to invest 40 million U.S. dollars in Ukraine to open two branches for the production of trucks and spare parts, he said.

Ukraine: Kuchma Confident of Yeltsin Victory in Elections

LD2205110796 Moscow ITAR-TASS World Service in Russian 0856 GMT 22 May 96

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[FBIS Translated Text] Donetsk, 22 May — During his visit to Donbass, Ukrainian President Leonid Kuchma expressed confidence that Boris Yeltsin would win at the forthcoming presidential elections in Russia. Answering a question about the increase in foreign investments in the Ukrainian economy, Kuchma told a news conference here that there was a direct link between foreign investments and the political situation in the partner-state.

"Fears that we will revert to the past are well-founded," Kuchma said. "But when I met the representatives of the major investment company, 'Russel 20-20,' on Monday [20 May] I told them that my bet is that Yeltsin will become the next president of Russia."

Ukraine: Kuchma Says BSF Main Issue for Talks With Chernomyrdin

LD2205094696 Kiev UNIAN in Ukrainian 0830 GMT 22 May 96

[FBIS Translated Text] Donetsk region — The main issue to be discussed during Russian Prime Minister Viktor Chernomyrdin's visit to Kiev on 23 May is the Black Sea Fleet [BSF], Ukrainian President Leonid Kuchma told a news conference in Donetsk. He said Chernomyrdin was coming "ahead of a possible visit by Boris Yeltsin to discuss important problems dividing Kiev and Moscow."

"Sevastopol remains the biggest problem," the Ukrainian president said. He described the forthcoming meeting with the Russian prime minister as "a normal, civilized attempt to achieve understanding." "Solutions to the Black Sea Fleet problem must be found," Kuchma said.

The president announced he was cutting short his tour of the regions to meet Chernomyrdin and would not visit Nikolayev region.

Ukraine: Delegation to Bonn Conference Confirms Antinuclear Stance

LD2105230196 Kiev UNIAR in Ukrainian 1630 GMT 21 May 96

[FBIS Translated Text] Kiev — An international conference on disarmament and elimination of nuclear weapons was held in Bonn (Germany) on 19-20 May. A Ukrainian delegation, led by Kostyantyn Hryshchenko, deputy foreign minister of Ukraine, took part in the conference. The delegation confirmed Ukraine's stand on the need to eliminate mass annihilation weapons and turn central and eastern Europe into a nuclear-free zone. This has been reported by the information department of the Foreign Ministry of Ukraine.

Ukraine: Crimea: OSCE Mission Not Needed; Turkish Help Welcomed

LD2105201696 Moscow ITAR-TASS in English 1743 GMT 21 May 96

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, May 21 (Itar-Tass) — Crimean Prime Minister Arkadiy Demydenko said at a news conference today that the presence of the OSCE [Organization for Security and Cooperation in Europe] mission in the Crimea was not necessary.

According to Demydenko, OSCE opens its missions in areas where the situation acquires an explosive character, while the situation in the Crimea is different.

"We have not invited OSCE representatives to visit us, they have come on their own. Now, they have to decide whether they should stay here any longer," Demydenko said. However, he pointed out that Crimea's stance does not mean that the OSCE mission should terminate its activities tomorrow. It would be expedient to analyse

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the situation together and then decide when the OSCE mission should wind up its activities, he noted.

In another statement for the press Demydenko said that Turkish leaders had confirmed their intention to render assistance in the accommodation of Crimean Tatars who had returned to the Crimea and promised to allocate funds for the construction of 1,000 houses and social facilities.

According to Demydenko, this problem was discussed during an official visit of the Crimean delegation to Turkey and during Demydenko's meeting with Turkish President Suleyman Demirel. Commenting on the stance assumed by the Turkish leadership, Demydenko said that Turkey believes that the Turk population of the Crimea should be "a kind of a bridge connecting Turkey with Ukraine." Measures are being taken to strengthen these contacts, Demydenko said. The first freight ferry is expected to arrive in Yalta in the next few days, which will open a regular ferry service between the Crimea and Istanbul. The number of flights from the Crimea to Turkey will be increased as well. An agreement has been reached that a Turkish company would resume the construction of a hotel in Yalta accommodating 300 tourists at a time. The construction of the hotel was halted several years ago, Demydenko said.

The visit to Turkey by an official delegation of the Crimea was a preliminary visit on the eve of a visit to Turkey by Ukrainian President Leonid Kuchma due to visit Turkey on July 2-3, Demydenko said.

National Affairs

Ukraine: President Urges September Referendum on Constitution

LD2105152996 Kiev UNIAN in Ukrainian 1200 GMT 21 May 96

[FBIS Translated Text] Donetsk region, 21 May — "The text of the Ukrainian constitution has been almost fully agreed," Ukrainian President Leonid Kuchma told UNIAN in Mariupol after meeting WITH parliamentary faction leaders yesterday. The president admitted he "again made concessions in order to get the constitution adopted". "One must never be rash, we must act constructively on all issues," he added.

According to the president, the parliamentary faction leaders agreed there is no alternative to a referendum on the constitution. "We should prepare to call the referendum in September so that nobody can reproach us for violating the legislation," Kuchma said.

Ukraine: President, Faction Leaders Agree on Constitution Referendum

LD2205110496 Kiev UNIAN in Ukrainian 0830 GMT 22 May 96

[FBIS Translated Text] Donetsk Region — The Ukrainian president and parliamentary faction leaders have agreed to sign the mutually negotiated draft constitution and put it to a referendum, President Leonid Kuchma told business managers and local council deputies in Mariupol. Only those deputies who agree with the draft will sign it, he said. "Today, the majority of parliament deputies would agree to sign this document," Kuchma added.

The referendum on the new constitution is most likely to be held in mid-September, the president said. "I could put the draft to a referendum now, but this would cause a split in our society, which is torn by disputes of a mainly economic nature," he explained. "To lose on the constitution now is to lose everything," Kuchma said.

Ukraine: Prime Minister: Inflation Not Yet Defeated

LD2105155396 Kiev UNIAN in Ukrainian 1200 GMT 21 May 96

[FBIS Translated Text] Kiev — Wage arrears stood at 177 trillion karbovantsi on 1 May, including 48.7 trillion karbovantsi owed to budget-funded organizations, as estimated by the National Bank of Ukraine, Ukrainian Prime Minister Yevhen Marchuk told a session of the Supreme Council today.

He said the wage debt is greatest in Vinnitsa, Kiev, Donetsk, Zaporozhye, Kharkov, and Rovno regions. State pension arrears estimated on 1 May total 42.4 trillion karbovantsi.

The prime minister told deputies that wage delays are a part of the overall payment crisis in Ukraine. The decline in output, together with "problems with sales", are to be tackled first in search of a way out of the crisis, he said.

Marchuk said the government supports an active policy of price stabilization pursued by the National Bank. But, he warned, monetary means of restraining inflation "have their objective limits".

"Inflation and economic instability have not been defeated," the prime minister stressed. They merely moved from the monetary and financial sector to production, while inflated demand transformed into inflated supply, Marchuk said.

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Ukraine: National Bank Chairman Reacts 'Negatively' to Criticism

WS2205082396 Kiev INTELNEWS in English 0317 GMT 22 May 96

[By Oksana Hasyuk, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, May 22 — National Bank of Ukraine Governor Viktor Yushchenko reacted negatively in Parliament on Tuesday to criticisms of his policies and calls for the bank's currency stabilization fund to be raided to pay off wages and pensions.

Yushchenko said the main goal of the NBU for the current year was the creation of stable conditions for the introduction of a new currency — a goal that would be jeopardized if some of his parliamentary critics have their way.

"Introduction of new national currency — the hryvnia — in 1996 and support of its stabilization is central issue of economic policy of Ukraine," said Yushchenko.

Parliament, after hearing Prime Minister Yevhen Marchuk's report on the government's inability to pay wages and pensions, gave preliminary approval to a resolution which would allow the Cabinet of Ministers to order the NBU to spend $200 million out of its more than $1 billion in currency reserves to solve the problem.

The draft also proposes to order to NBU to buy surplus currency at the expense of its own resources, including monetary emission, in order to not allow the karbovanets to deteriorate lower than KBV185,000/USD.

Serhiy Teryokhin, a Reforms group member, called the proposal an attempt by Banking Committee Chairman Viktor Suslov, who was among its authors, to freeze exchange rates as he did in 1992 as a member of the government.

Ukraine: Crimean Premier Says Turkey To Aid Deportees' Repatriation

LD2105215596 Kiev UNIAN in Ukrainian 1430 GMT 21 May 96

[FBIS Translated Text] Simferopol [no date as received] — Crimea and Ukraine work hard for the benefit of Turkey's economy, Crimean Prime Minister Arkadiy Demydenko told a news conference on 21 May concerning the results of his official visit to Turkey.

Demydenko said that during his meeting with Turkey's President Suleyman Demirel, they discussed issues relating to the Turkish Government's pledge to render specific financial aid to deported nations which are now returning to their homeland [Crimea].

In spring 1996, a Turkish representative made an official statement that his country was ready to allocate $76 million for the implementation of that program. According to the prime minister, the Turkish president confirmed this pledge, despite the "difficult economic and political situation in the country."

Demydenko said that they also discussed completing the construction of a hotel complex for 300 beds. The project, carried out in Yalta by a Turkish firm, has been "frozen" for three years. An additional $39-40 million are required to complete it.

Also discussed was the issue of the functioning of the Istanbul-Yalta ferry line and the opening of new air links.

No documents were signed during the visit.

Ukraine: News Conference Held on Problems of Crimean Tatars

WS2105124096 Kiev UKRAYINA MOLODA in Ukrainian 17 May 96 p 1

[Report by Volodymyr Prytula: "Who Will Help the Deported People?"]

[FBIS Translated Text] Considering the difficulties experienced by the Ukrainian economy, it is necessary to bolster the search for additional sources to finance the return and settlement of citizens — currently living outside of Ukraine — who had been deported from Crimea, by more actively involving the world community's potential in this process, said Osman Adamanov, head of the Crimean State Committee for Nationalities and Deported Citizens, when he met with journalists at a news conference addressing the 52d anniversary of the Crimean Tatars' deportation from the Crimean peninsula — to be marked on 18 May. According to Osman Adamanov, the international community plays an important role in resolving this issue. An upcoming visit by a Crimean delegation to Turkey will make it possible to coordinate all details of an international project, according to which Turkey is planning to build 1,000 individual houses for Crimean Tatars by using credits of the European Bank for Development and Reconstruction. The Crimean delegation to Turkey will comprise Crimean Prime Minister Arkadiy Demydenko and Majlis Chairman Mustafa Dzhemilev.

At the news conference, Osman Adamanov, head of the Crimean State Committee for Nationalities and Deported Citizens, discussed in detail the current situation pertaining to the return and settlement of Crimean Tatars and other deported peoples. According to him, their number in Crimea is increasing each year, but

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the state budgetary financing of this process is shrinking. In addition, if one compares early 1991 with 1996, the amount of money granted to the return program has decreased more than 11-fold. At the same time, the number of deported people who have returned to Crimea increased by 40,000 people. As of 1 April 1996, some 245,000 deported people, including over 240,000 Crimean Tatars, returned to Crimea. According to police data, some 236,000 of them are registered officially. Over 76,000 Crimean Tatars who returned to Crimea, that is, to Ukraine, after 1992, have not been granted Ukrainian citizenship.

According to the Crimean State Committee for Nationalities and Deported Citizens, 42,000 land plots were assigned to settle the deported citizens; over 270 settlements and boroughs for compact living of the deported people were set up. But more than half of these settlements are not connected to either the central power grid or the water supply system. Besides, some 120,000 deported people have no housing of their own and live in basements, temporary buildings, or dormitories. An additional 40,000 deported people are unemployed and over 30,000 are employed, but not according to their professions. These statistics were provided by Osman Adamanov, who said that the 1996-2000 program for primary measures to settle the deported citizens, approved by the Ukrainian Cabinet of Ministers, envisages the allotment of only 19.5 trillion karbovantsi [K] for designated purposes, including K2.8 trillion for this year. According to Osman Adamanov, in essence this will lead to curtailing the process of settling repatriates and to blocking those who have not yet managed to return to their fatherland. In general, to resolve problems of the deported citizens, investments to the tune of no less than $1 billion are needed. Truth be told, the issue whether the assistance of the world community will be so sizable — raised by Osman Adamanov at the news conference — remains open.

Economic Issues

Ukraine: Marchuk on Assets, Debt, Responsibility

WS2105104896 Kiev URYADOVYY KURYER in Ukrainian 16 May 96 p 3

[Interview with Ukrainian Prime Minister Yevhen Marchuk by unidentified correspondents from URYADOVYY KURYER, INTERFAX-UKRAINE, and the Ukrainian Television and compiled by Volodymyr Ilchenko; place and date not given: "Expedient and Intelligent Decisions Are Essential"]

[FBIS Translated Text] [URYADOVYY KURYER] Mr. Prime Minister, does the Ukrainian Government have information about foreign assets of the former USSR?

[Marchuk] The Ukrainian Government does not have information on all [foreign] assets of Russia. The Russian side, despite Ukraine's repeated attempts to bring up this issue, refused to provide such information, citing different reasons. At first, I thought that Russia itself did not know about all of its assets in other countries.

[URYADOVYY KURYER] What will happen if we imagine the improbable — that the Ukrainian legislature refused to ratify the "zero" option agreement on debts and assets of the former Soviet Union?

[Marchuk] When Ukraine, in the person of the prime minister, signed a document, it does not matter which prime minister that was, and according to international standards, this document is valid. The agreement on the so-called "zero" option has been signed, and the government now wants the Supreme Council to ratify it. The point is that the agreement was concluded in a complicated situation and was conditioned by many factors. At present, you can think whether it was good or bad. You can find all of its advantages and disadvantages. Life goes on, the situation is changing, and so are relations of Russia with its creditors, with Paris Club in particular; but at a time when then Prime Minister Masol signed it, the agreement indeed had to be signed. So, it needs to be ratified now.

A refusal to ratify it would trigger a chain of numerous, negative for us, facts.

We expected to sign the "zero" option as a "package" document. That is, we planned to sign three agreements at the same time — on the "zero" option itself, the reconstruction of Ukraine's debt to Russia, and a transfer of some diplomatic foreign-based premises to our country. Our debt to Russia for the gas delivered in 1994 was, as is known, restructured. As for 36 foreign facilities that were to be handed over to Ukraine, the issue is still unresolved and being delayed by the Russian side. We, however, have no legal grounds for claiming those facilities, as that was the "gentleman's agreement" with the Russians.

In addition, I would like to add that as we are trying to be disciplined on the foreign debt issue, others sometimes reproach us. We will continue to carefully service these debts, even though it costs us a great deal of money. Why we have those debts is obvious: We were wasteful managers and incurred $1.5 billion in gas debts. We were too romantic and nationally heroic when we so easily signed the agreement whereby a debt of $2.5 billion run by Ukrainian enterprises to the Russians was assumed by the state.... This is history. This history, however, reflects on the present social problems, because servicing our foreign debts costs

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us $1 billion annually. By including this amount in the budget, we take away funds from social programs, which affects our payments of wages, pensions, and student stipends.

[URYADOVYY KURYER] The recent [13 May] Supreme Council Presidium meeting discussed the need to set up a national council for monetary and credit policies. What functions would this council perform and how is this idea regarded by the National Bank?

[Marchuk] The National Bank may not have a clear-cut opinion on this issue. By a Supreme Council decision, the monetary and credit policy will be examined at a meeting of the government. Preparations for a debate on this issue are not going smoothly. It is about relations between the government and the Ukrainian National Bank. I cannot say that they are bad; they are not easy. There is nothing dramatic here.... The point is that the subject of activities by the government and National Bank generates contradictions.

The Bank's prime task is to create a stable currency, which calls for many restrictive measures. The government, on the other hand, is under pressure to spend funds on social needs stemming from the deficient money supply. Hence the complicated relations.

As for the money and credit council, it is supposed to devise a cooperation mechanism between the National Bank and government. After all, such a council would comprise both government and National Bank representatives.

[INTERFAX-UKRAINE] How is the budget revenue section being implemented?

[Marchuk] No decision will be efficient without a proper organization support. Industry branch ministries, and especially enterprises, should improve this kind of support. A decision has been made that beginning next week, all deputy prime ministers, the prime minister, the economy minister, and half of this ministry's officials, as well as officials from the tax inspection service and the Control and Revision Administration will go down to individual enterprises to identify reasons for untimely payments to the national budget. All measures will be undertaken to ensure implementation of the budget's revenue section. Above all, they include bringing order into local budgets.

At the meeting, the minister of machine-building and Military- Industrial Conversion Minister V. Malev, Industry Minister Mazur, and Agriculture Minister Haydutskyy were reprimanded, while Transportation Minister I. Dankevych and Coal Industry Minister S. Polyakov reprimanded. Also, I raised the issue of dismissing Yevhen Dovzhok, head of the State Oil and Gas Committee, from his position. The attention of Petro Hermanchuk and Vasyl Huryeyev, finance and economy ministers, was brought to the fact that they worked badly on ensuring implementation of the budget revenue section.

And these are trillions of karbovantsi [K] — the Machine-Building Ministry failed to send K7.5 trillion, the Agriculture Ministry — K7.2 trillion, and the State Oil and Gas Committee — K5 trillion.

These figures allow me to raise the issue of personal responsibility for the failed budget implementation. This also applies to oblasts and rayons. Worse, they do not implement the spending section of their budgets, either, using its money to pay for stipends, pensions, and wages.

The resolutions on budget implementation and measures to overcome the payment crisis were devised for quite a long time. By the way, Deputy Prime Ministers Roman Shpek and Volodymyr Pynzenyk were reminded about that.

We are attempting to tackle those problems systematically. Both resolutions provide for more than 50 specific steps of various nature, including those aimed at having the government and parliament to expand the legal basis, as well as concrete and direct organizational measures that are supposed to bring specific positive results quickly.

[UKRAINIAN TELEVISION] What is the execution discipline within the government itself?

[Marchuk] The procedures for submitting issues to the government for discussion was, so to say, excessively democratic. One needs to put an end to this. One deputy prime minister should be responsible for every issue submitted. But when three deputy prime ministers came to me and started a discussion, concentrating on individual measures connected with issues that had to be passed on that same day rather than sweeping approaches, I had to apply my powers.... After 20 minutes, they came back with a joint document. The way I applied my powers was this. I told them that if in 20 minutes they failed to produce a final draft, I would demand their resignation....

Of course, you cannot force people to coordinate things just for the sake of it. There are problems that require long debates and thorough examination. All this, however, cannot last forever. The present moment warrants expedient and intelligent decisions. The prime ministers will have increased responsibility for preparing government meetings. I have decided that

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one of the deputy prime ministers will report on a specific problem being discussed at such meetings.

For example, Coal Industry Minister V. Polyakov was supposed to make a report on his branch. The report, however, was made by Deputy Prime Minister Volodymyr Yevtukhov, who is in charge of the entire fuel and energy complex. It would have been proper if Deputy Prime Minister Shpek [handling economic issues] had made a supporting report, because coal industry problems cause macroeconomic, organizational, and coordination problems.

Ukraine: Prime Minister Marchuk: Taxation Policy Should Be Revised

LD2105183896 Moscow INTERFAX in English 1503 GMT 21 May 96

[FBIS Transcribed Text] Kiev, May 21 (Interfax - Ukraine) — Ukrainian Prime Minister Yevheniy Marchuk believes that the state taxation policy shall be revised to overcome the crisis in the payment of wages, pensions and grants.

Addressing the Ukrainian Parliament within the framework of the Government Day on Tuesday, Ye. Marchuk expressed the need for "easing the tax burden on the manufacturers".

Thus, in particular, he believes, the value added tax should be cut down to 10 percent "at least for three or six months". It is also necessary to revise the rates of import dues and excise duties on goods imported in Ukraine (mainly those of food and light industry); to cut allocations to different funds; and to include non-budgetary funds into the national budget.

In the Premier's opinion, it is necessary to "differentiate" Ukraine's fiscal policy to make tax exempt the profit designed for investments. Ye. Marchuk also spoke out in favour of priority earmarking assets for social needs, and for increasing personal responsibility of officials for overdue payments.

He said that the use of foreign currency reserves for the redemption of the overdue wages, pensions and grants may also be examined. According to the Prime Minister, a part of foreign credits shall be used for the repayment of debts.

With reference to the National Bank of Ukraine, Ye. Marchuk said that by May 1, the delay in the payment of wages at Ukrainian companies of all property forms and in the army had reached 177 trillion karbovanets.

Among the main causes behind the overdue wages Ye. Marchuk named a "global payments crisis", production decline, rise in the volumes of unsold products, and violations of budgetary discipline.

Thus, he added, by April 1 this year, the debt of 43,8 thousand companies to the state had reached 95,8 trillion karbovanets. Violations have been uncovered at 315 out of the 1842 banking offices, which were checked on.

"The current economic situation is such that it hardly meets the daily requirements of social character", Ye. Marchuk underscored.

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Belarus

Belarus: Lukashenka Briefs Media on Meeting With Primakov

WS2205082496 Minsk Radio Minsk Network in Belarusian 0700 GMT 22 May 96

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka pins particular hopes for improving the Belarusian economy and creating appropriate living conditions for the nation on close integration with Russia within the framework of the signed community treaty. The president reported this to journalists after a meeting with Russian Federation Foreign Minister Yevgeniy Primakov in Moscow. Lukashenka pointed out that soon a session of the Supreme Council of the Community of Sovereign Republics will be held, during which specific measures for stepping up the integration processes between our states will be undertaken. Lukashenka expressed conviction that within a short period of time Belarusian students — just as in the past — will face no obstacles to entering Russian institutions of higher learning, and vice versa. Besides, medical treatment of Belarusians or Russians in both countries will be provided on the same basis. The president pointed out that the development of joint Belarusian-Russian social programs, including the Chernobyl program, have been launched.

Belarus: Minsk Deputies: Authorities 'Answerable' for Actions

WS2205085196 Minsk BELAPAN in English 0646 GMT 22 May 96

[FBIS Transcribed Text] Minsk, 21 May — Twenty nine deputies to the Minsk-City Soviet have made a statement in which they demand from the city public prosecutor that those who ordered to beat unmercifully people during the Charnobylski Shlyakh [Chernobyl Path] demonstration on April 26 be made answerable because they infringed upon people's constitutional rights. As pointed out in the statement, the banning of the mourning march and mass-meeting on Independence Square on the occasion of the 10th anniversary of the Chernobyl catastrophe showed "the short-sightedness of the Minsk-City executive authorities. The permit to organize the rally in another place was given by Executive Committee only on the evening of April 25, which did not allow the organizers to inform people.... That led to skirmishes and bloodshed on Skaryna Avenue.... Information about detentions and the whereabouts of the detainees was kept secret from relatives. Trials were held not in court, but in prison premises behind closed doors, and without advocates, witnesses and sometimes without the accused..."

Belarus: BPF Deputy Chairman Released From Prison

WS2205075796 Minsk BELAPAN in English 0646 GMT 22 May 96

[FBIS Transcribed Text] Minsk, 21 May — On May 21 Professor Yuryy Khadyka, Deputy Chairman of the Belarusian Popular Front, was released from a temporary holding prison. This happened on the 23rd day of the hunger strike he was holding to protest against his being kept in prison — which was illegal in his opinion. Yuryy Khadyka is being prosecuted for the organization of the unauthorized Charnobylski Shliakh [Chernobyl Path] action. On May 21 the Minsk-City public prosecutor, Mikalay Kupryyanaw, issued a resolution to change Khadyka's preventive punishment from being kept in custody to a written pledge not to flee. As a BELAPAN correspondent was informed at the BPF Board, Mr. Khadyka has been brought to the therapeutic department of the 3rd Clinic where Vyacheslaw Siwchyk, the other former hunger striker, is undergoing medical treatment. Beginning from May 22 both of them are expected to share one hospital room.

Belarus: Article Views Parliament's 'Zero Policy'

WS2105114096 Minsk SVABODA in Belarusian 14 May 96 p 3

[Article by Vital Tsyhankow: "Death Dirge for Parliament"]

[FBIS Translated Text] **One should not be surprised if along with the slogan "Down With Luka! [Lukashenka]," a new one appears at one of the next rallies — "Down With Parliament!"**

All of us waited so long for the establishment, the "birth" of a parliament, that we were afraid to intimidate it even with one angry word. The Belarusian democratic society gave this "birth" at the end of its tether, and pampered the Supreme Soviet as a frolicsome but dear child. The independent press would praise the parliament's leadership and certain factions in advance. We did not criticize anything, waiting for our deputies to assume "their honorable posts" in authority. However, four months have passed, and the Supreme Soviet has not demonstrated anything except for its profound and chronic impotence. If teeth have not pierced the gums during such a period, they will never grow. And the democratic forces should currently ask themselves the following classic question: "What have we fought for?"

Sharetski: "For I Am a Peasant..."

...During the past few weeks, a rite which is evidently meant to symbolize the touching unity of the

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Belarusian executive and legislative authorities have been established in the Supreme Soviet. Bypassing a cast-iron monument to Lenin, the president's motorcade stops near the entrance of the parliament building. The Supreme Council chairman welcomes the head of state at the porch. Alyaksandr Lukashenka and Syamyon Sharetski shake their hands long and warmly, trying to display kindness and friendliness on their faces. Escorted by a retinue of bodyguards and talking with vigor and interest, the president and the speaker head for the session room. One can be sure that the work in parliament will be harmonious and constructive on that day....

Despite the fact that this psychological type is quite widespread, the Supreme Soviet chairman, in my opinion, stands a good chance of becoming a vivid figure of popular works about politics. While monitoring the activities of Syamyon Sharetski, one unintentionally recalls the word "stagnation": our speaker indeed unintentionally resembles the unforgettable Leonid Ilich [Brezhnev]. At least, the following phrase crosses one's mind immediately: "His eyebrows are black and bushy, and speeches are long and void." From some of Sharetski's recent appearances, one could get the impression that he not only does not write his speeches, but, perhaps, does not read them either. As soon as the "paper" ends, Sharetski displays complete inability to participate in "live" debates, and his answers to deputies' questions induce irony, at best.

The Belarusian society so long and fiercely discussed the role and importance of a future speaker, that now one can only wonder to what degree this figure has proven to be trivial and politically insignificant. Sharetski's demonstrative unity with Lukashenka virtually puts his political authority at the level of any official from the Presidential Administration. It has become clear that the speaker is unable to do anything that might annoy the president. He is not even able to carry out a parliament resolution and appear on television with an "explanation of the Supreme Soviet's stance."

Sharetski's public visits to enterprises resemble the behavior of a provincial rayon executive committee secretary who has been unexpectedly promoted to the capital, and is now asking his aides to organize "meetings with the people" for him. The nearly zero ratings of the Supreme Soviet chairman confirm the man's inability to become a vivid and independent politician. What is left for Sharetski is the role of a "wedding general" at various international assemblies and a "good and just grandpa" at meetings with veterans.

One should not have attached so much importance to the speaker's image, if it were not for one sad thing: The public always associates any collective body with its leaders, so the speaker's "zero" automatically becomes a "zero" for the entire parliament.

"Accord": Everybody Will Always Agree

Much has already been said about the "Accord" faction (or more precisely, the association of deputies). For some reason, everybody is impatiently waiting for "Accord" to come apart because of their ideological beliefs (provided that the "Accord" members actually have such beliefs). It seems, however, that this group closes its ranks further every day, uniting themselves around a universal ideology which is attractive for everyone — the ideology of power.

The "Accord" members are actually very different, and with regard to insignificant issues they may fiercely fight one another, protecting their own professional or corporative interests. With regard to fundamental issues, however, none of them will dare to stand against the "father": this would require launching one's own political career, and none of the "Accord" members is able to do so. When a member of the vertical hierarchy has doubts while voting, presidential aide U. Kanaplyow immediately rises behind his back and "restores discipline" in the entire faction by shouting "Let us vote!" (I like it better, however, when Kanaplyow advises the most ideological "Accord" member to display activeness: "Malakhovski, take the floor!") So, the most on which the "Accord" members count is to eat personal, financial, and other leftovers from the "father's" table.

Communists: Waiting for Their Turn

One should not wait for a split in this political force, which, as I am convinced, will remain consolidated, at least until the next presidential elections. The Communists have nothing to divide yet, because they do not have all the power. When they obtain it, many people will recall Lukashenka as a liberal, just as many people are currently recalling [former Prime Minister] Kebich. As a matter of fact, the Communists are not divided into "moderate" and "crazy" (there were such groups during the French Revolution), but into "crazy" and "very crazy."

Because there are no serious strategic or ideological contradictions between the president and the Belarusian Party of Communists, they are supporting Lukashenka with regard to fundamental issues with pleasure. Moreover, the Communists' slogan is as simple as possible: "We are like the president, and even better." If Lukashenka continues to build an authoritarian state with a centralized economy, the Communists will tell him "thank you," and will take the country into their hands after elections.

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Democrats: Democrats?

The latest events in the Supreme Soviet have made one doubt that there is a force in the parliament which is ready to advocate democracy and the country's independence. The democrats from parliament, along with other deputies, unanimously ratified the Belarusian-Russian union treaty (let us recall: 166 votes for, three against, one abstained), which envisions supranational bodies of power, unified monetary-credit and budget systems, joint protection of borders, etc. As everyone knows, the "Civic Action" faction is convincing itself and its voters that the 2 April treaty is a mere declaration, and that it would have been ratified anyway. Of course, this is true, but the democrats at least could have confirmed their independent stance. Lukashenka will now claim that there is no opposition to his integration plans in the Belarusian society, referring to the results of the voting.

In general, there is sometimes an impression that the "Civic Action" called itself a faction pro forma. A few episodes have indicated that there are neither stringent discipline nor common strategy in the "Civic Action." With regard to the issue of no confidence in the government, Hanchar and Shushkevich were "for," and Lyabedzka "against." While approving the appointment of [Interior Minister] Ahalets, Dabravolski was "against," and Klimaw "for" (Klimaw has currently left the faction, perhaps, not to be worry about his business). While approving the appointment of [National Bank Chairman] Vinnikava, Shlyndzikaw wanted to take the floor to support her candidacy, but there were too many deputies wanting to do the same. It was a ridiculous situation: the deputy chairman of the United Civic Party supported the candidacy which was so decisively opposed by the party chairman — [former National Bank Chairman] Bahdankevich. What could he do? His Amkador company must operate.

The "Civic Action," and all the more so the social democratic faction "Union of Labor," are so eager to please the procommunist and pro-Russian majority, that it seems that they begin to forget their principles (provided they have them). These two factions are scared to death that they will be termed opposition factions, and as a result, they are hardly different than other deputies.

It proves that the 20-25 percent of Belarusian citizens who voted against economic integration with Russia in a referendum, and for the Belarusian Popular Front during the parliamentary elections, are not represented in the current parliament at all. By adjusting their stance to the majority, the democrats (I would like to use this word without the disgraceful adjective "so-called") are separating themselves from their voters — for example, those from Minsk — who sent them to the Supreme Soviet to defend independence and democracy.

Certain liberal publicists have vigorously been warning of the emergence of Belarusian radicalism. But what can Belarusians (the most active ones) whose interests both the executive and legislative authorities do not want to defend do? "Owing" to its zero policy, many people consider the Supreme Soviet to be a gray mass devotedly supporting the president. What sense does the existence of a parliament which obediently carries out the executive authorities' decisions and performs a decorative and illusory function for foreign observers make? I will not be surprised if along with the slogan "Down with Luka!" a new one appears at one of the next rallies — "Down with Parliament!"

Moldova

Moldova: Snegur Rules Out Concessions on Dniester Region

LD2105201196 Moscow INTERFAX in English 1727 GMT 21 May 96

[From the "Presidential Bulletin" feature No. 96(1089) compiled by reporters Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, and Boris Yunanov]

[FBIS Transcribed Text] President Mircea Snegur ruled out concessions on essential issues such as Moldova's sovereignty, territorial integrity and inviolable borders and common constitution, currency, foreign policy, army and security bodies.

Snegur told Michael Wygant, head of the OSCE [Organization for Security and Cooperation in Europe] permanent mission in Moldova, that normalization of relations between Moldova and the Transdniester region is impossible unless "certain pseudo-patriotic forces on the eastern bank of the Dniester become aware of the fact that any settlement of the differences must be based on recognition of Moldova's independence, sovereignty and territorial integrity."

The OSCE mission has made a significant contribution to making a settlement possible, he said.

Steps are being made in this difficult process that are aimed at bringing the positions of the opposing sides closer together, Snegur continued.

An understanding on key provisions of the memorandum on the guidelines for normalizing the relations between Moldova and the Transdniester region will make a final solution possible, he believes

The mediators in the negotiating process, Russia and Ukraine, share this view, Snegur said. Russian President

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Boris Yeltsin confirmed at the CIS summit in Moscow on May 16 Russia's position that the territorial integrity of any country, in particular Moldova, should be maintained.

Wygant noted that appreciation of the tasks facing the OSCE mission by the Moldovan government made it possible for the mission to carry out constructive work in the country. He was confident that theoretical discussions will soon give way to practical steps of a united, independent and territorially integral Moldova.

An interim Moldovan-Transdniester memorandum was supposed to have been signed during the Moscow summit with Russian, Ukrainian and OSCE mediators in attendance.

Experts have been investing a lot of effort in working out a memorandum but the Transdniester leaders resumed last week their demand that the powers should be shared between Moldova and the Transdniester region as equals.

Snegur's political aide Victor Josu said that Moldova "is prepared to accept any formulations of the document on the status of the Transdniester region which are consistent with the notion of an autonomous unit."

Moldova: Russian Envoy to Dniester Calls For 'Broad Self-Governance'

AU2105152396 Chisinau INFOTAG in English 1930 GMT 20 May 96

[FBIS Transcribed Text] Chisinau, May 20 (INFOTAG) — The Russian president's Special envoy at the Chisinau-Tiraspol negotiations, Ambassador at Large Yuriy Karlov believes the sides should incessantly move forward, in order not to roll back. He stated that in his interview published in the last weekend's issue of KISHINEVSKYE NOVOSTI.

In his opinion, the conflict should be resolved in such a way that "Dniester could enjoy a broad self-governance, possess broad plenary powers in the framework of integral Moldova — through guarantees of Russia, Ukraine, and the OSCE [Organization on Security and Cooperation in Europe]."

In his words, there should be political, economic and military guarantees, and no pressure whatsoever.

"Military guarantees are a complicated and sensitive issue, but they ought to be present, as trust after the 1992 armed conflict has not been restored yet," he said.

The Russian envoy has regarded as a positive moment and politically wise that the sides had agreed that Dniester should be a state-territorial unit. In his words, this will not be a federation, as this term is unacceptable for Moldova, for it will necessitate constitution amendment. Most probably, this will imply a broad self-governance.

"From the viewpoint of a normal political logic, we should not approach to a line behind which lies the upsetting of the Moldova's territorial integrity," Yuriy Karlov emphasized.

Moldova: Popular Front Refutes Allegations of Aiding Chechnya

AU2105154996 Chisinau INFOTAG in English 1930 GMT 20 May 96

[FBIS Transcribed Text] Chisinau, May 20 (INFOTAG) — The Moldovan Christian Democratic Popular Front [FPCDM] has sent an official pro[illegible] to the Russian leadership after Russian special se[illegible] have disseminated an information that this organization had been rendering material and other support to Chechen fighters.

The official protest was handed in to the Russian Ambassador at Moldova, Aleksandr Papkin, by the Front's leader Member of Parliament Iurie Rosca.

The Front points out in its press release of today that Rosca had demanded from the ambassador to announce his attitude to this act of political subversion, and to officially refute these insinuations which inflicted a serious damage to the Front's image and to the international prestige of the Republic of Moldova.

The note of protest expresses bewilderment concerning an information published on May 12 in Russia's IZVESTIA newspaper that the Christian Democratic Popular Front is among other Muslim, public and political organizations which had rendered financial and other assistance to Chechen fighters.

"Being not involved into the Chechen war in any way, we, together with the entire free and democratic world, express our protest against the armed intervention of the Russian Federation against the Chechen people. We mourn the victims of this war which has already taken the lives of thousands of Chechens and Russians," the document reads.

Its authors regard the above-stated information by Russian special services as a "subversion."

"The allegations about the involvement of real or invented external factors in the Chechen war is an attempt of the Russian propaganda to justify the Kremlin's inability to stop this war politically and in a way mutually acceptable to the sides," the note reads.

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Tajikistan

Tajikistan: UN Security Council Discusses Situation in Tajikistan

LD2105101196 Moscow ITAR-TASS in English 0921 GMT 21 May 96

[By Sergey Baybakov]

[FBIS Transcribed Text] UNITED NATIONS, May 21 (Itar-Tass) — The United Nations Security Council began discussing the situation in Tajikistan where the armed opposition had not long ago got down to more active combat operations against government forces in Tavil Dara district. Members of the Council held on Monday a consultative meeting at the request of Tajikistan President Emomali Rakhmanov. Military operations contradicting the Tehran ceasefire agreement caused victims from both sides and considerably undermined economy of the areas in the foothill of the Pamirs, the Tajik President noted in his letter.

"Sharing this viewpoint, the Russian side submitted to the Security Council a draft statement condemning gross violations of the Tehran ceasefire agreement by the opposition, and its terroristic acts," Sergey Lavrov, the Russian Ambassador at the United Nations, told Itar-Tass. "We urge all the sides to refrain from actions that would infringe on Tajikistan's territorial integrity," he said.

During the discussion of the draft document, the members of the Council were informed that special envoy of United Nations Secretary-General for Tajikistan, Gerd Merren, secured the consent of the Tajikistan government and leadership of the Tajik opposition to prolong the ceasefire agreement for another three months.

Tajikistan: Russian Commander Says Afghan Border Situation 'Difficult'

LD2105172696 Moscow ITAR-TASS in English 1509 GMT 21 May 96

[FBIS Transcribed Text] DUSHANBE, May 21 (Itar-Tass) — Commander of Russian border guard troops in Tajikistan Lieutenant-General Pavel Tarasenko described the situation on the Tajik-Afghan border as "extremely difficult."

Tarasenko told Itar-Tass on Tuesday that the situation is especially disturbing on the Kalaikhum and Khorog sectors on the border where rebels have stepped up armed activities from the Afghan territory.

These have been reconnaissance raids so far. However, Russian troops have received intelligence data that vast forces are stationed on the Afghan border which are ready to cross it into Tajikistan at first notice, he said.

Several hundred Afghanistan-based rebels intend to break into Tajikistan to help their comrades-in-arms in the Pamir Mountains, the general said.

Russian border guards thwarted several attempts by rebels to penetrate Tajikistan over the past two to three days. Some of them were neutralised, others were captured, according to him.

The command of Russian border guards in the republic reinforced outposts and put forward reserve groups. The most vulnerable sectors of the border were also reinforced, he said.

Tarasenko said that the hope of a ceasefire agreement being signed by the conflicting sides was very low. At the same time, the command was interested that the truce, which is a kind of deterrent and which expires on May 26, be prolonged, he said.

More active steps should be taken to make the problem solved peacefully, the general said referring both to the situation within Tajikistan and to the restoration of stability on the border with Afghanistan, he said.

The command is ready to continue to take efforts aimed at strengthening confidence-building measures, he said.

However, he warned that all attempts by rebels from across the Afghan border to use force will be foiled in a most rough manner.

In another development, the Tajik president's spokesman, Zafar Saidov, said on Tuesday that Tajik authorities have decided to build a secular democratic state with a market economy and to solve all problems peacefully.

Commenting on a proposal by the opposition to prolong a truce for another three months, Saidov said the government decided on it as early as May 17 when President Emomali Rakhmanov met United Nations Secretary-General Butrus Butrus-Ghali. The government expressed its support of a limitless truce for the duration of talks, he said.

Speaking of another proposal by the opposition, concerning its readiness to release 26 government soldiers who had been captured in battle in the Pamir region, he said the government did not have any exact information on who, when, or how they will be liberated.

The subject will be thoroughly considered only after the International Red Cross Committee receives documents concerned, he said.

The Tajik government is ready to do its utmost to bring the soldiers back to their families, according to him.

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Tajikistan: Government Takes Credit for Cease-Fire Extension

LD2105201796 Moscow INTERFAX in English 1727 GMT 21 May 96

[From the "Presidential Bulletin" feature No. 96(1089) compiled by reporters Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, Boris Yunanov]

[FBIS Transcribed Text] It was the Tajik government, not the opposition, who initiated the ceasefire extension, Presidential Press Secretary Zafar Saidov told Interfax Tuesday. He commented on the opposition's announcement of extending the ceasefire agreement for another three months, starting from May 26.

The government had extended the ceasefire agreement "as far back as on May 17, about which Tajik President Emomali Rakhmanov informed U.N. secretary-General Butrus Butrus-Ghali at their official meeting in Moscow," Saidov said.

The Tajik government does not have confirmed information on the opposition's willingness to release 26 prisoners of war captured during recent clashes in the Tavil Dara district, he said.

The Tajik defense, interior and security chiefs met with the International Red Cross Committee (IRCC) officials on May 18 to accept the proposals. "However, then they spoke about 22 servicemen," he noted.

Meeting a request of the Tajik leadership, the IRCC expressed readiness to meet with the opposition leaders to agree on the conditions of the handover, Saidov said. "Dushanbe is ready to consider these proposals after the opposition submits them," he added.

"The Tajik government will do its best to bring the people back to their families," Saidov said.

Tajikistan: 'Clan Contradictions' Seen as Primary Concern

MM2105152396 Moscow KRASNAYA ZVEZDA in Russian 21 May 96 p 3

[Report by Nail Gafutulin: "Clan Contradictions More Terrible Than War Against the Opposition?"]

[FBIS Translated Text] Disturbances in the majority of cities in Leninabad Oblast are apparently of far greater concern to inhabitants of the Tajikistani capital than the failures of government troops near the Pamir Mountains. This is to some degree connected with the Tajikistani authorities' total information blockade of events in the north of the republic and the contradictory rumors generated on this account. Though it is probable that for many people in Tajikistan clan contradictions are today far more terrible than the war against the opposition.

Let me recall that after the funeral of Leninabad businessman Akhmadzhon Ashurov, who was killed by police, his fellow clansmen took to the streets. The protesters' demands amounted to the withdrawal of the Tajikistani MVD [Ministry of Internal Affairs] OMON [Special-Purpose Police Detachment] from the oblast, the abolition of the Tajikistani MVD's Sixth Directorate (for Leninabad Oblast), which specializes in economic crime, the dismissal of the leaders of the oblast's power structures, and the prosecution of Ashurov's murderers.

After the Leninabad citizens had been addressed by republic premier Yahyo Azimov and some of their demands had been met, the protesters began to return to their homes. However, by this time mass disturbances had begun in Ura-Tyube. In this large Leninabad Oblast city an unauthorized rally following a clash with police in which people were killed and wounded escalated into riots and arson; two other oblast cities, Isfara and Shakhristan, also took to the streets. Additional law-enforcement forces, the core of which was constituted by 300 soldiers of the presidential guard, were immediately transferred to the oblast from Dushanbe.

On Monday 20 May it became known that the protesters had left the squares and gone home following the government's partial fulfillment of their demands. Personnel reshuffles, to use the oblast administration's mild term, affected around 40 persons in the oblast's law-enforcement organs, and oblast police chief Abdusator Radzhabov was dismissed from his post.

However, the short history of sovereign Tajikistan shows that no good has yet come of the use of force to engineer the replacement of cadres in the ethnically and tribally mixed republic. There has always been a side sufficiently determined to restore justice and a clan's apparently outraged honor.

For the second time this year disturbances in individual oblasts across the country have coincided with an intensification of combat operations in the Pamir region. In the first two weeks of May die-hard opposition detachments under the command of Mirzo Ziyeyev launched a successful incursion into the north of the republic. Today the fighting is around the population center of Libadzhar, where the roads leading from Garm and Khorog to Dushanbe join. Following the mobilization of additional forces, republic Ministry of Defense, MVD, and Ministry of Security units managed to hold back further incursion by the opposition detachments.

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Estonia

Estonia: President: Not Interested in Joining CIS

LD2005114096 Tallinn Radio Tallinn Network in Estonian 1900 GMT 19 May 96

[FBIS Translated Text] Estonia is not interested in joining the Commonwealth of Independent States, which emerged after the break-up of the Soviet Union, Estonian President Lennart Meri announced in an official statement today.

The statement says that we [Estonia] made our choice, which is final and forever, by restoring our independence in 1991, because according to our belief the place of Estonia is in Europe.

Meri said that at the same time Estonia continues to work toward good relations with all of its neighbor-states.

Russian President Boris Yeltsin announced at the CIS summit last Friday that Estonia, Latvia, and Lithuania could voluntarily join the CIS.

Estonia: Kallas Says Expulsions Will Not Affect Russia-Estonia Ties

LD1605194296 Moscow INTERFAX in English 1659 GMT 16 May 96

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igoro Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] TALLINN, May 16 (Interfax) — Estonian Foreign Minister Siim Kallas does not believe that the expulsions of a Russian and an Estonian diplomats have seriously affected the Estonian-Russian relations.

"I would not describe them as bad because of these events," he said at a news conference in Tallinn Wednesday.

Despite "the war of words in mass media as a result of a diplomatic scandal, the two sides have avoided a deterioration of relations on the official level," he said.

"There are signs of normalization of relations," Kallas believes.

These signs include a meeting of the Estonian and Russian prime ministers in Visby, Sweden, and his own meeting with Russian Foreign Minister Yevgeniy Primakov in Strasbourg, he said.

Kallas expressed the hope that "the war or words will die down soon."

Estonia: Minister, Russian Envoy Agree To Stop Airing Disputes

WS2105134696 Tallinn BNS in English 1014 GMT 21 May 96

[FBIS Transcribed Text] Tallinn, May 21, BNS — Estonian Foreign Minister Siim Kallas and Russian Ambassador Aleksander Trofimov have agreed that the two countries' foreign ministries will put a stop to a public slanging [as received] match in the press, Tuesday's issue of the EESTI PAEVALEHT daily writes.

The paper says Kallas and Trofimov agreed at a meeting last week in Tallinn that the ministries would make an effort to smooth the bilateral relations, which have recently become more tense.

The Estonian Foreign Ministry and Kallas declined to comment on the meeting, which took place on the Russian ambassador's initiative.

The bitterest diplomatic crisis of late broke the week before the last, when both countries expelled a diplomat for spying.

In addition, Russia accused Estonia of supplying arms to the banned Irish Republican Army.

A spokeswoman for the Estonian Foreign Ministry responded by claiming Moscow was consciously blackening Estonia to prepare the world public for a possible invasion of this Baltic state.

Estonia: Tallinn, Moscow To Halt Verbal Battle in Media

LD2105192896 Tallinn Estonian Television Network in Russian 1545 GMT 21 May 96

[FBIS Translated Text] Estonian Foreign Minister Siim Kallas agreed, via Russian Ambassador to Estonia Aleksandr Trofimov, with the Russian Ministry of Foreign Affairs that the Ministries of Foreign Affairs of both countries will refrain from open verbal war in the mass media.

According to the EESTI PAEVALEHT newspaper of today, at a meeting in one of Tallinn's restaurants Kallas and Trofimov reached an agreement that the Ministries of Foreign Affairs of Estonia and Russia will try to resolve the increased tension in their relations.

The Estonian Ministry of Foreign Affairs and Kallas himself refused to comment on the meeting that took place at the initiative of the Russian ambassador.

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Estonia: Premier Says Tartu Treaty Basis for Talks With Russia

LD2105150496 Tallinn Radio Tallinn Network in Estonian 1400 GMT 21 May 96

[FBIS Translated Text] The Estonian Government has not authorized the delegation for Estonian-Russian border talks to retreat from the demand to recognize the Tartu Peace Treaty, Prime Minister Tiit Vahi said today.

Vahi said that the government has decided that Estonia will not ask for the return of territories from Russia and that the talks will concern adjustments to the current control-line.

The government has instructed the delegation to the talks that it has no right to retreat from the principles of the Tartu Peace Treaty, Vahi said.

Estonia: Parliament Approves Treaty With EBRD at First Reading

LD1805143396 Moscow INTERFAX in English 1302 GMT 18 May 96

[FBIS Transcribed Text] TALLINN, May 18 (FIA-Interfax) — The Estonian parliament has approved the treaty between the Estonian government and the European Bank for Reconstruction and Development [EBRD] in the first reading, the parliamentary press service told Interfax's Financial Information Agency.

Under the treaty that was signed in Tartu on December 18, 1995, the Estonian government will provide guarantees on the DM 20 million credit line opened by the EBRD to Estonia's Eesti Veevark company for the implementation of environmental projects.

The money will be extended for 15 years with a five-year grace period at a floating interest rate.

Under the Estonian law on foreign loans, the government can provide guarantees for credits worth not more than 15 percent of state budget revenue (the 1996 state budget revenue stands at some 2 billion kroons, or DM 250 million).

As of April 1, 1996, Estonia has provided guarantees on credits worth 5 billion kroons.

Latvia

Latvia: President: Riga's Interests Do Not Involve CIS Membership

LD2105190796 Moscow INTERFAX in English 1611 GMT 21 May 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] RIGA, May 20 (Interfax) — Latvia's foreign policy envisages neighborly relations with each of the CIS states, but the choice and interests of the republic's people do not mean the country's membership in the Commonwealth of Independent States, Latvian President Guntis Ulmanis told Interfax on Monday.

"[Russian President] Boris Yeltsin again suggested that the Baltic countries join the CIS, which is in line with the Russian president's policy of integration," he said. However, said Ulmanis, "since the time independence was restored in the country, Latvia's policy is oriented to integration into European and trans-Atlantic political, economic and defense organizations, which is in line with the national interests of the Latvian state."

Speaking about Yeltsin's statement that he would like to meet with the leaders of all three Baltic states, Ulmanis said that he does not foresee meeting with Yeltsin in the near future. He believes it will be possible to plan a meeting with the Russian president only after the elections of the heads of state which will take place this summer both in Russia and in Latvia.

The powers of the current Latvian president expire on July 8.

Latvia: Ukrainian Speaker Moroz Arrives on Official Visit

LD2205105396 Kiev UNIAN in Ukrainian 0830 GMT 22 May 96

[FBIS Translated Text] Riga — A Ukrainian parliamentary delegation led by Supreme Council Chairman Oleksandr Moroz arrived in Latvia on 22 May for an official visit. The Ukrainian parliament chairman will meet Saeima [parliament] Speaker Ilga Kreituse, Finance Minister Aivars Kreituss, and State Foreign Minister Juris Sinka. The Ukrainian deputies will hold talks with Saeima faction and commission representatives and members of the Latvian parliamentary group for cooperation with Ukraine. Moroz will address the Saeima on 23 May. The Ukrainian delegation will also visit local Ukrainian organizations and Latvia's only Ukrainian school, based in Riga.

According to the latest census, there are about 70,000 Ukrainians in Latvia. Only 4,300 of them have been

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granted Latvian citizenship, while the rest are deprived of many political and socioeconomic rights, the Ukrainian embassy in Latvia reports.

The Ukrainian delegation will return to Kiev on 23 May.

Latvia: Armed Forces Chief Returns From Bosnia

WS2205084996 Tallinn BNS in English 1741 GMT 21 May 96

[FBIS Transcribed Text] Riga, May 21, BNS — Commander of the Latvian National Armed Forces (NAF) Juris Dalbins Tuesday returned from Bosnia where he met with soldiers of the Latvian platoon who are serving in IFOR.

Dalbins told a press conference that the most tragic in this war is the lost faith in a possibility that all ethnic groups — Serbs, Croats and Moslems could live in one territory peacefully.

He emphasized that Latvia should form its domestic policy so that similar conflicts never broke out in the Baltic state.

Dalbins said that Latvian soldiers are satisfied with the service, and are distinguished by good discipline.

Latvian soldiers together with the Danish Battalion and peace-keepers from Poland are serving in a dangerous territory as most of mine fields are located there. In addition, the soldiers are to prevent also ethnic conflicts among the residents, said Dalbins.

He noted that Latvian soldiers will come to Latvia for holidays on June 19. They will have to be back in Bosnia on July 9 and their service will last until October.

Continuing Latvia's mission in IFOR, the Latvian company of the Baltic Peacekeeping Battalion will leave for Bosnia in ranks of the Swedish armed forces in October.

Dalbins expressed hope that the Latvian company will be well-prepared for service in Bosnia until October.

He said that the second peace-enforcement platoon is also being formed, and an agreement has been signed with Denmark on training of this platoon.

It is not yet known when this unit could go to Bosnia because, when it is expected to be fully prepared, the current mandate of IFOR forces will expire, Dalbins told the press conference.

Latvia: OSCE Panel Discusses Problems of Russians in Latvia

LD2005131996 Moscow ITAR-TASS in English 1304 GMT 20 May 96

[By Aleksandr Kuzmin]

[FBIS Transcribed Text] VIENNA, May 20 (Itar-Tass) — The problems of the Russian-speaking population in Latvia were discussed at a meeting of the Permanent Council of the Organisation for Security and Cooperation in Europe (OSCE).

Russian representatives, who spoke at the forum, which ended here on Monday, pointed out that the OSCE mission which functions in Latvia regards with understanding the problems connected with the acquisition of citizenship and directly concerning the Russian-speaking population in the republic.

Speakers said that ethnic Russians account for about 34 percent of Latvia's population. However, Latvian legislation still stipulates 68 substantial distinctions as regards the rights of Latvia's population.

The Russian delegation expressed serious concern about Latvia's drafting a state language bill, many clauses of which run counter to the principles of the European Convention on the Protection of Human Rights.

Lithuania

Lithuania: Foreign Minister Rules Out Joining CIS

WS2105134596 Tallinn BNS in English 1014 GMT 21 May 96

[FBIS Transcribed Text] Vilnius, May 21, BNS — Lithuania's Foreign Minister Povilas Gylys has ruled out any possibility of Lithuania joining in the Commonwealth of Independent Countries.

"Lithuania's position has been and will always be the same — Western orientation," Gylys said after a meeting of the president-led Defense Council on Monday.

Lithuania, however, is seeking to maintain good relations with the East while moving towards the West, the minister told BNS.

"What we stress is individual contacts with CIS countries and not links with a group of states or interstate organization," Gylys said, noting this is Lithuania's stance in principle.

The foreign minister did not rule out a summit between Lithuanian and Russian presidents. He said, however, visits of such a level require "that certain conditions be created and certain decisions be prepared."

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It could be a visit of major importance for all countries provided it brings in concrete results, Gylys said.

The minister said Russian and Lithuanian interstate negotiation teams are expected to meet in the near future but the exact date is still to be established.

Minister Gylys played down the possibility of talks between the Russian president and all three Baltic leaders as "hardly probable."

Lithuania: Spokesman on 'False, Slanderous' Moscow Drug Allegations

WS2105134396 Tallinn BNS in English 1412 GMT 21 May 96

[FBIS Transcribed Text] Vilnius, May 21, BNS — A spokesman for the Lithuanian Foreign Ministry expressed regret at "false and slanderous" allegations by a Moscow newspaper that Lithuanian state structures help to organize drugs transit from Russia to Western Europe.

"One can see with the naked eye efforts by some political forces in Russia to show Lithuania and all Baltic region to the world as criminalized and posing danger to Europe and therefore unworthy of being admitted to Western integration processes," head of the Lithuanian Foreign Ministry's information office said in his comments released on Monday.

Gintaras Jatkonis said this is not for the first time that Lithuania hears statements from Russia which are aimed at "worsening relations between our countries which are really normal at the moment."

Certain forces in Russia "have been trying to 'share' their own problems in connection with events in Chechnya with their neighbors," Jatkonis said.

The foreign ministry official commented on an article in the Moscow-based newspaper KOMSOMOLSKAYA PRAVDA which, among other things, contains allegations that drugs trafficking through Lithuania to Europe and United States has been masterminded by Chechen leaders who maintain links with the interior and foreign ministries in Vilnius.

Lithuania: Mismanagement Threatens Ignalina Nuclear Plant Security

LD1505132396 Vilnius Radio Vilnius in International Service in Lithuanian 2100 GMT 14 May 96

[FBIS Translated Text] The Ignalina Nuclear Power Plant is not immune to an act of sabotage, according to the officers of the Security Department, who managed to smuggle explosive substances into the plant with no obstruction from the staff. The simulated bomb-smuggling, with permission of the General Prosecutor's Office, was carried out earlier this year.

According to the chairman of the National Security Committee of the Seimas, Arvydas Ivaskevicius, the Ignalina Nuclear Power Station is a plain mess.

Speaking at the sitting of the National Security Committee, the director of the State Security Department, Jurgis Jurgelis, added that squandering of funds is commonplace at the Ignalina Nuclear Power Plant. The wasted money is later presented as electricity production cost. According to Jurgis Jurgelis, on the premises of the plant there are offices of private companies, employing relatives of the plant's staff, and therefore it is difficult to distinguish between privately owned property and the property of the power plant.

The parliamentary National Security Committee intends to address the country's president with a request to make sure that the security of the nuclear power plant is taken proper care of.

Lithuania: Uranium-238 Dealers Arrested in Klaipeda

LD2105113896 Moscow ITAR-TASS in English 1104 GMT 21 May 96

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, May 21 (Itar-Tass) — Six dealers, who tried to sell thirteen kilograms of radioactive Uranium-238, were arrested in the Lithuanian port of Klaipeda on Sunday evening, the Press Service of the Lithuanian Interior Ministry reports today.

These men were apprehended as a result of a joint operation launched by the police, the State Security, and the Procurator-General's Office of Lithuania, when they tried to sell the uranium they had for 300,000 U.S. dollars.

A container with approximately seven kilograms of this radioactive material was confiscated from them. One more container with six kilograms of Uranium-238 was discovered during a search somewhat later.

All the suspects are from Klaipeda. They are rather well known businessmen. For instance, Sigitas Petkyavichus (born in 1958) is Deputy Director of the "Filia" Joint-Stock Company and member of the City Council of the previous convocation; Nikolay Ionidis (born in 1941) is Director of the "Grinidis" Joint-Stock Company, formerly First Mate for Political Affairs on a merchant ship; Anatoliy Goncharov is President of the "Garmonia" Joint-Stock Company (he was People's Judge of Klaipeda ten years ago), and his wife is a lawyer.

They are all charged of obtaining, storing, and selling radioactive substances.

Police officials believe that the uranium was stolen from a military base in Ukraine. They do not rule out the possibility of this radioactive substance being brought to Klaipeda from the Ignalina nuclear power plant.

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